

Charities Evaluation Services Annual Report and Accounts 2010

‘The Haemophilia Society engaged CES to help us evaluate the impact of our newly developed strategic plan. At the beginning they helped us refine our objectives and the subsequent outputs and outcomes. With their help we established monitoring tools. CES supported us through the whole process. The resulting evaluation of our work was extremely thorough including as it does some recommendations for further development. This document will be of huge value to us in planning further work and future funding bids.’

Haemophilia Society

We would like to express our gratitude to organisations that funded us during 2010

Big Lottery Fund

CCLA

Capacitybuilders

City Bridge Trust

Office for Civil Society

Trust for London

Wates Foundation

Zurich Insurance Plc

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'You were both fabulous trainers and I learnt a lot from you.

The whole experience of learning (at my old age), meeting other people from the sector, coming out of the office, being challenged a bit... it was all great.'

Outcome Champion training participant, October 2010

'very useful and informative day which gave me lots of practical tools and examples for use in my work and within my own organisation'

Monitoring and evaluation training participant, 2010



Chair's introduction: Ros Oakley

We at Charities Evaluation Services (CES) are proud to support voluntary sector organisations and their funders so that they can focus on doing what they do best and achieve more for the causes they serve. Our work directly helps organisations become more effective and better equipped to demonstrate their value. This is more important than ever in the current economic environment.

Ros Oakley, Chair

2010 was a special year for us. We welcomed our new CEO, Andy Gregg, formerly the Chief Executive at Lasa, who brings a wealth of experience in the voluntary sector. We said thank you and farewell to

Elizabeth Balgobin who from January to September 2010 did an excellent job as our interim CEO. We celebrated our 20th anniversary. And lastly we set new directions for our work.

Our 20th anniversary was a chance to reflect on CES' two decades of pioneering work on quality and evaluation, and our leadership role in establishing its relevance and importance to the sector. We were delighted to be joined by Nick Hurd MP, the Minister for Civil Society, who spoke about the Big Society and commended our work: *'As a result of your work, there is quality in the system that wasn't there before. There is a great deal of pressure on the sector to communicate more effectively its impact, which is where you come in.'*

To demonstrate our enthusiasm for using evaluation for learning and innovation – we established a new prize for that purpose. We were honoured that Professor Nicholas Deakin agreed to chair the independent judging panel. Applications opened in November for charities, funders, and support organisations and for organisations large and small. The results will be known in March 2011.

2010 was a year for looking forward and outward, finding light amid gathering storm clouds. Thanks to our staff and trustees we have a range of new strategic initiatives in place which mean we can look ahead confidently. We are grateful to the support that we have had from funders – subsidising our work and enabling us to support organisations that otherwise might not be able to afford to get the help that they need.

Finally I'd like to thank all who make CES' success possible, including those who have been with us from the early days. This year I'd particularly like to thank our staff. They have shown great commitment and creativity at a time of huge change for all in the sector. One of the great pleasures of being CES chair is hearing client compliments about our staff.

Foreword: Andy Gregg

The voluntary and community sector is under increasing scrutiny from the public, the government and funders – particularly in our role in delivering public services and supporting ‘The Big Society’. There has never been a more important time for the sector to demonstrate its effectiveness.

Monitoring, evaluation and quality are an integral part of a well-run charity and should be seen as vital tools in helping an organisation adapt and develop their services to meet need and improve efficiency. Dynamic, effective organisations put learning and development at the heart of their planning.

In 2010 it was necessary to plan for some of our funding to come to an end in late 2010 and early 2011. A significant strategic review was undertaken to adjust for the changes to our own position and better respond to the sector’s needs of CES. This work was completed and the new strategy is being implemented from January 2011 onwards.

Despite the difficulties CES faced in 2010 we were able to continue consolidating our work. Our monitoring confirmed that we continued to receive excellent results and achieve the intended outcomes for our users. The feedback from our training recipients in particular continued to be exceptionally positive: excluding the contributions of the National Performance Programme, we provided training in implementing evaluation and quality systems to 1,999 staff and volunteers from 1,231 organisations, a 36% increase on 2009. 88% of training attendees who responded to our survey reported that they had put their learning in to practice since the course.

There were important achievements across the range of our activities. For example, we continued to successfully deliver the National Performance Programme to provide a range of services to support organisations, increasing further the reach of our important work. We continued to promote and support PQASSO, now in its third edition and the most popular quality system in the sector. We introduced five new training courses to our programme in 2010 and in response to feedback, developed our support for funders and commissioners.

In the current environment the importance of monitoring, evaluation and quality is greater than ever. As the third sector’s leading provider of support on evaluation, performance and quality, I believe CES is well placed to respond to the needs of charities seeking to improve their work and show how they are truly making a difference. I am fully confident in our ability to offer a robust range of relevant services to meet the needs of the sector, and we will continue to do so in the years ahead.



Andy Gregg, Chief Executive

Highlights of 2010

2010 at CES was a year in which we celebrated our 20th Birthday. It was a fantastic opportunity to reflect on our achievements of the last 20 years (see our timeline at <http://www.ces-vol.org.uk/downloads/timeline-754-762.pdf>) while reviewing how to adapt our services and support so that we could continue to meet the changing needs of the sector.

The Hon Nick Hurd MP, Minister for Civil Society praised CES' work over the past two decades:

'As a result of your work, there is quality in the system that wasn't there before. There is a great deal of pressure on the sector to communicate more effectively its impact, which is where you come in. I'm afraid the future is going to demand more than anecdotal evidence and this poses great challenges, particularly for smaller organisations that don't have the resources to develop complex methodologies to articulate social return. This is the future and the importance of what you do and the importance that we attach to encouraging people to connect with you and embrace what you're trying to encourage in the sector, and we ask ourselves the simple question – how can we help?'



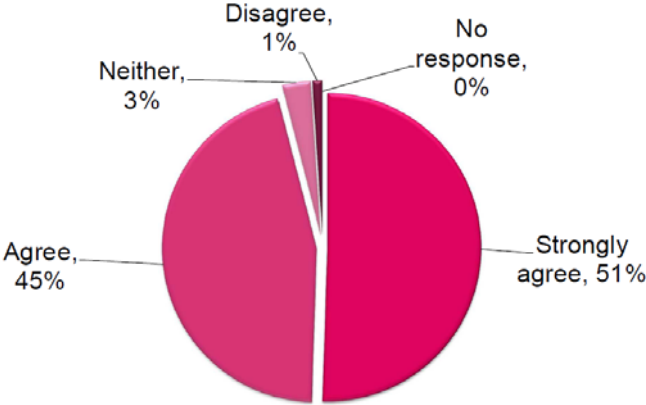
The question of how we can provide effective help is at the forefront of everything we do at CES. We know that the help that third sector organisations really need is practical assistance and tools, so that they can demonstrate that they are making a difference.

During 2010 we offered a wide range of support designed specifically for organisations wishing to prove that they are well-run, effective organisations providing services that deliver what they set out to achieve. We did this by:

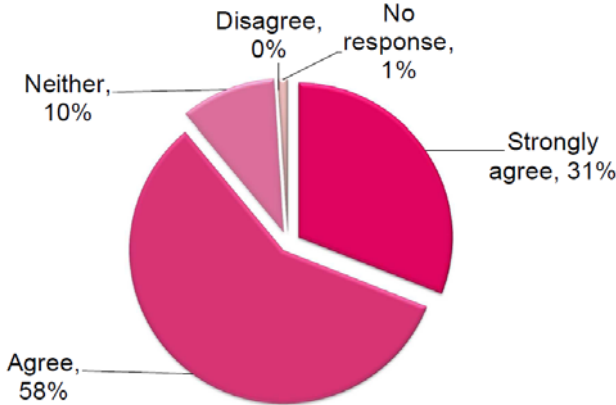
- training **2,472** people
- delivering **229** training courses
- developing **5** new training courses
- talking to at least **250** people at conferences and seminars
- completing **14** consultancy contracts
- providing **51** episodes of free mentoring
- giving free support to **35** organisations
- producing **6** publications
- distributing our **13,000th** copy of PQASSO
- awarding **36** organisations the PQASSO Quality Mark
- achieving over **35,000** downloads of free resources from our website
- launching the prize for **innovation and learning** in evaluation.

The feedback from service users is very positive, some of which is set out in the charts below.

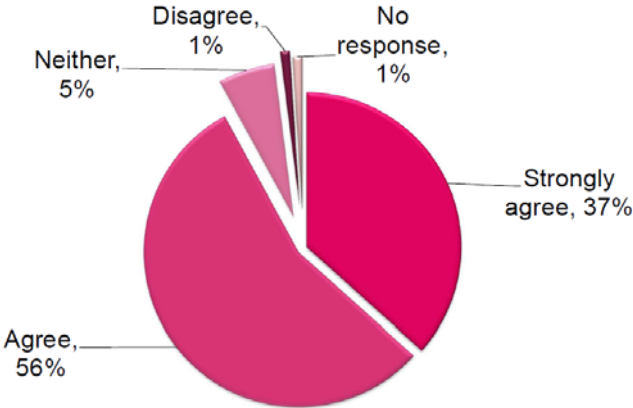
Trainees who reported that they had developed their knowledge and understanding of an evaluation or quality system following training



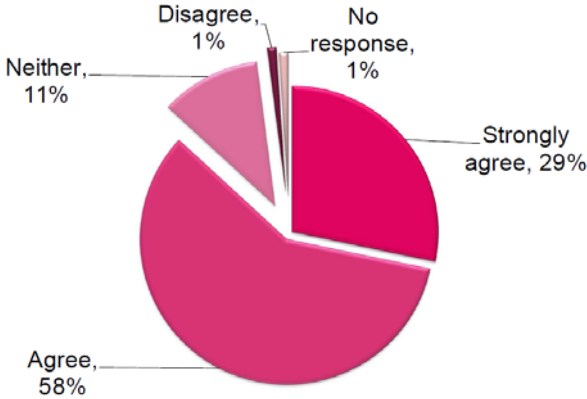
Trainees who believed that the training would improve their services



Trainees who were more confident about implementing an evaluation or quality system following training



Trainees who felt the training will help their organisation to be more effective in meeting user' needs



When surveyed at least six months after the training, responses indicated that:

- **88%** had put their learning in to practice and a further 5% were planning to put the training in to practice
- **79%** of respondents had shared their learning with colleagues
- **48%** felt better placed to face the economic downturn as a result of attending training at CES

How we have helped

British Heart Foundation example

Introduction

The British Heart Foundation is a large national charity that works to prevent people from dying prematurely of heart disease. They do this through pioneering research, vital prevention activity and ensuring quality care and support for everyone living with heart disease.



The British Heart Foundation's Business Unit was set up in the Medical Division to monitor specific projects. However, managers felt they lacked an objective method of comparing the charity's wide range of activities. So the team asked Charities Evaluation Services to help it develop a bespoke monitoring and evaluation framework.

Clare Mills, Head of the Business Unit (the team which works to improve the Organisation's performance), talks about how the British Heart Foundation has benefited from working with Charities Evaluation Services.

A View on Consultancy Support

Developing the Framework

Consultants from Charities Evaluation Services supported us with workshops with staff, beneficiaries and healthcare professionals which helped us to break down our overall aim of playing a leading role in the fight against heart disease into three strategic aims or desired areas of change, such as improving care for people affected by heart disease. Corresponding to these aims were outcomes that projects should contribute to, such as changing people's behaviour to minimise their risk of getting heart disease.

Three strategic objectives - ways of achieving the strategic aims - were then defined. These were providing resources, funding external organisations and providing direct services.

Key aims were also developed for each of the strategic objectives, many of which - such as increasing people's knowledge of cardiovascular health - are applicable to all of the division's work. These were further boiled down into more practical key objectives, such as providing a central hub of information, and concrete outputs such as providing a heart helpline.

Further workshops generated a range of indicators for each output, relating to how well it achieved the desired outcomes.

It was great working with CES to achieve this because it was good to have external people looking at the issues with fresh eyes and expertise and they were incredibly

well organised and easy to work with. They made something which some people find complicated very clear and made sure it was workable.

The Difference that it has made

Having a set of pre-defined indicators and outcomes that can be applied to all of the Division's projects has introduced more rigour to project planning and monitoring, and saved the division's 80 staff from having to duplicate work each time they set up a new project. A full-time evaluation manager helps them think through what to monitor and how to do it, typically with a mixture of qualitative and quantitative techniques.

The impact of the work will be better seen in the next couple of years because the projects that are using the framework are only just coming up for evaluation now.

It has certainly changed things internally in that it helped staff collect lessons and think more about what they want to get out of the project, how they will monitor it and how they will report on it at the beginning of the project rather than bolting it on the end. By providing a set of defined outcomes applicable across all our work, we hope that it will allow us to rigorously compare the relative success of different projects and support our resource management and future strategies for work in areas that will make the biggest difference.

The lasting impact is that it makes staff think about why they are doing things – to what end and whether they should change things rather than doing them how they have always done them.

Many of our evaluations are done by external organisations, but staff have learnt to set these up themselves and run tenders for evaluations, so we have more robust processes in place.

Next Steps

The charity has an Evaluations Manager and the role is changing its remit to expand the work across the organisation providing evaluation expertise and support to staff across the organisation including advising on the design of individual frameworks for particular projects based on the models that Charities Evaluation Services developed. The new post-holder will be working with managers at all stages of external and internal evaluation development, implementation and management, to extend the benefits of the work that CES did for us.

As we expand the work further, and also as a result of staff turnover, we are hoping to work with CES further, perhaps on refresher courses and integrating the work further across the organisation. We have certainly benefited from the support from CES so far in developing our monitoring and evaluation framework which will make a big difference to the way that we work, especially as we expand it further to other areas of our organisation.

New Resources in 2010

The voluntary and community sector is increasingly under scrutiny from Government, funders and the public, as organisations are asked to measure their performance, demonstrate their quality and prove their worth. Organisations need to assess not just what projects are doing, but the difference they are making – their outcomes.

The pressure on the sector makes it increasingly important for charities and their funders to share an understanding of the benefits of different performance management and quality systems. They also need to share a common language and understand methods for collecting and managing information.

In order to respond positively to the climate, CES produced several new guides and updated some old ones, all free to download, to support organisations to better monitor and manage their performance. These were widely disseminated with high download rates.

Our publications are all practical guides which can support organisations that have attended our training to implement their learning and can enable those who can't attend our training to get started, extending the reach of our work.

These new and revised publications build on a wide range of resources already available. For further details of our resources, please see www.ces-vol.org.uk/publications

First steps in quality

Recently updated, this plain English booklet provides 'entry level' information on quality assurance in the sector. It aims to help you understand the potential benefits and should give you confidence to choose the system that best meets the needs of your organisation and service users.



Assessing Change: Developing and using outcomes monitoring tools

This practical handbook is to help you identify and develop ways to collect information on the outcomes of your work. It takes you through the process of deciding whether to design your own monitoring tools or to use one of the many tools that are already available.

Does your money make a difference? Good practice in monitoring and evaluation for funders

Does Your Money Make a Difference? is essential reading for funders of all types, including those commissioning through contract arrangements or through grants. It explores principles, provides practical examples from current funders and includes resources and tools to improve monitoring and evaluation and ultimately the effectiveness of funding.



Making a difference together? Planning, monitoring and evaluating voluntary and community sector collaborative working

The guide covers collaborative working in the voluntary and community sector, and aims to help organisations to plan the measurement of positive and negative outcomes and reach their own conclusions on the likely or actual benefits of collaboration.

Supporting third sector organisations in crisis

Providing support to voluntary and community sector organisations can be challenging. This is amplified when the groups you are working with are in crisis. This clear and engaging pocket-guide will help you clarify your role, what you can do to help, and how to handle tough situations and support the organisations that you are working with.



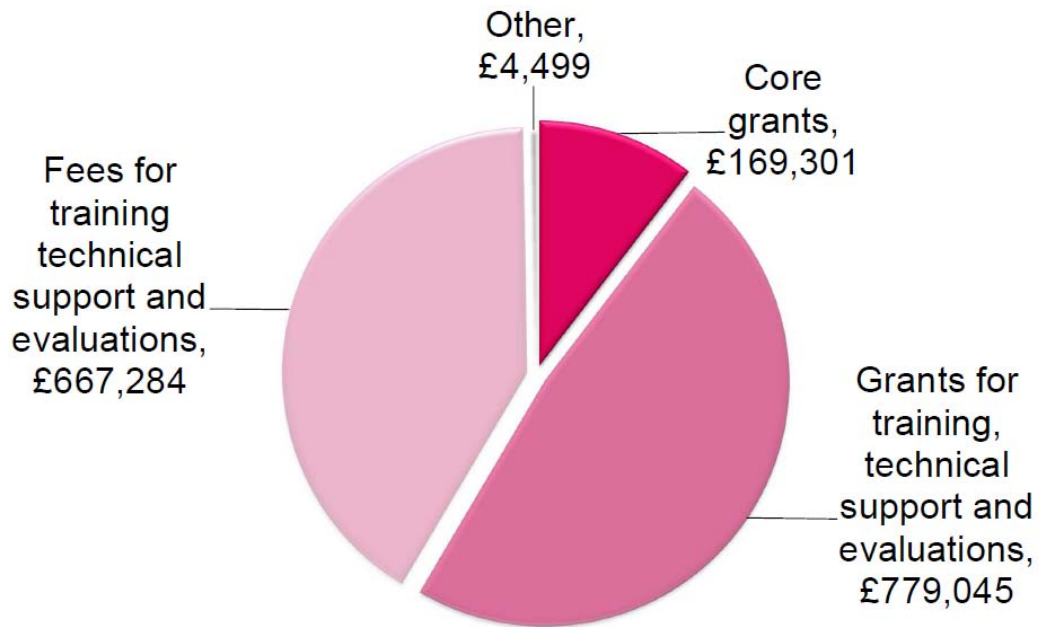
Implementing strategy: ideas and inspiration

In this practical gives a six point plan for taking a strategy from paper to practice. Full of effective activities and links to valuable resources, this guide will put you and your groups on the path to achieving your strategic objectives.

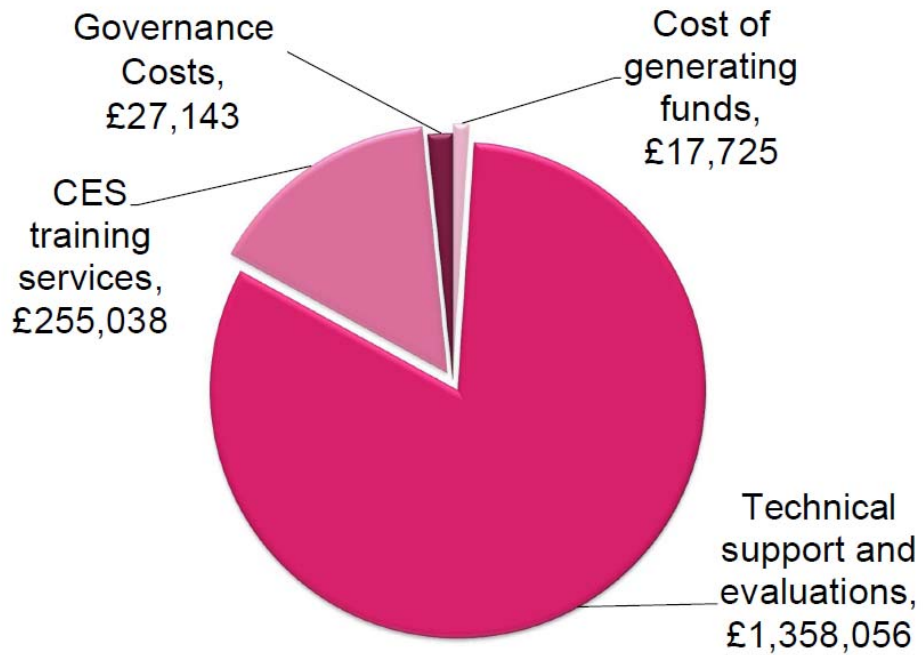
Finance

Summary of income and expenditure for the year ended 31 December 2010.

Income breakdown



Expenditure breakdown



Report of the Trustees

Overview

The trustees present their report and the accounts for the year ended 31 December 2010. Charities Evaluation Services (CES) is a charitable company established in 1990. Our overall mission is to increase the effectiveness of the third sector by developing its use of evaluation and quality systems.

Objects

CES' objects are to pursue the provision of training, advice, consultancy and other services to charitable organisations.

Our vision

An ever more effective third sector.

Our mission

To use our knowledge of evaluation and quality systems, and our influence as a sector leader, to help the third sector increase its impact.

Our values

CES believes in:

- The power of evaluation and quality to make the sector more effective
- Evaluation for learning as well as accountability
- Valuing diversity
- Being environmentally responsible
- Facilitating the sharing of knowledge
- Learning from those with whom we work

Public benefit

We have complied with the duty in section 4 of the Charities Act 2006 to have due regard to public benefit guidance published by the Charity Commission.

CES' overall aim, as enshrined in our charitable objects and mission, is to promote the efficiency and effectiveness of charitable organisations and other non-profit agencies¹. We pursue this aim by providing charitable organisations and those who fund them with training, consultancy support, advice and information in print and online, and by undertaking external evaluations. Thus the immediate beneficiaries are the organisations accessing our services, but the ultimate beneficiaries are many thousands of members of the public who use *their* services or benefit from their campaigns.

¹ See Charity Commission statutory guidance, 'Charities and Public Benefit', E2, Principle 1a, final bullet point.

Activities, achievements and performance

The 2010 plans included the following key aims:

1. To improve the effectiveness of the sector through better use of planning, evaluation and quality.
2. To enable infrastructure networks to support frontline voluntary organisations on planning, evaluation and quality.
3. To provide an informed national policy voice on improving effectiveness to help create a supportive policy, regulatory and funding environment promoting both accountability and learning.
4. To improve the effectiveness of funding practices through strategic engagement and consultancy support to statutory commissioners and sector funders.
5. Strategic development to support the aims above.

2010 was a challenging but successful year for the CES team with a focus on being an exemplar organisation. Through our operational plan we committed ourselves to the aims above and performance against them is described below.

Aim 1: To improve the effectiveness of the sector through better use of planning, evaluation and quality

Training: To provide 'open' and 'in-house training to support the implementation of evaluation and quality systems

Excluding training delivered as part of the National Performance Programme and those courses for mentors and PQASSO Quality Mark Peer Reviewers, we provided 50 days of open training and 133 days of in house training in implementing evaluation and quality systems to 1,999 (1,184 in 2009) people from 1,231 (778 in 2009) organisations.

We carry out annual outcomes interviews with a sample of trainees roughly six months after they have received training. This helps us to gauge whether and how our courses are making a difference. The interviews assess changes in the organisations which have accessed our training. We are also interested in any factors, other than our training, which contributed to these changes or acted as barriers to implementation.

88% of those who responded to the survey reported that they had already put their learning in to practice. 79% of respondents had shared their learning with colleagues, 48% felt better placed to face the economic downturn as a result of attending training at CES, 45% said their services had already improved as a result of the training and a further 34% said it was too early to tell.

'The best course I've been on in a long time. Excellent tutor- always able to respond to questions, however challenging, and great explanations'

2010 training course participant

'Course very well and clearly delivered. Trainer was very flexible in adapting the course and answering questions. Good balance of presentation v group work. Very helpful to be able to attend with a colleague. Have learned a lot will see how confident I am'

2010 training course participant

Evaluation consultancy: To provide bespoke consultancy services on evaluation to a broad mix of clients including front line, funders and commissioners. Evaluation consultancy contracts selected enable CES to positively influence policy and act as the voice of authority on evaluation in the sector.

19 contracts won and 14 completed by the end of 2010, compared to 14 contracts won and 12 completed during 2009. Clients have been introduced to new tools to measure effectiveness; measuring the effectiveness of increased staff capacity and replicating success in other parts of the organisation; work with local authority councillors and funding officers to develop materials to be used with the third sector locally. For further information on our consultancy work, please see www.ces-vol.org.uk/consultancy .

In line with our aim for the year to concentrate our support towards health and social care organisations in 2010 we worked with a diverse range of such organisations during the year, including The British Heart Foundation, Age Concern Kensington and Chelsea and The Haemophilia Society.

'We had consistent and effective support from the consultant throughout the project. She took account of our views and incorporated our ideas into the finished work. Adjustments were made along the line as we worked with the new systems.....We are already finding that the Consultant's report (which we have shared with the funders) and the monitoring tools we are now using are not only helpful in themselves but are also helping to "sell" our services to the Funders.'

Comments from Age Concern Kensington and Chelsea

PQASSO and the PQASSO Quality Mark: to continue to grow PQASSO's position as the lead quality system within the third sector.

863 copies of PQASSO workbook sold; 55 applications for the quality mark in 2010; 36 organisations awarded PQASSO at either level 1 or level 2 falling slightly short of our target of 40 awards, and reflecting that organisations are taking longer to embed PQASSO within their organisations before applying for the award.

Publications and website: to provide a range of information in print and online.

CES launched six new or updated free publications in 2010, responding to sector needs (see highlights section). The free resources on the website were accessed 35,531 times in 2010 (32,076 in 2009) and 644 copies of publications were sold (683 in 2009). The volume of printed publications sold is reducing as more are being provided as free downloads from the website.

Aim 2: To enable infrastructure networks to support frontline voluntary organisations on planning, evaluation and quality

23 new PQASSO mentors were trained in 2010 (compared to 18 new mentors trained in 2009). We now have 171 mentors in the network supporting voluntary organisations to implement PQASSO and improve their quality.

18 new Outcomes Champions were trained in 2010 (9 in 2009) and there are now over 100 Champions working locally and with specialist groups to increase the ability of the organisations that they support to set and monitor the changes, benefits or learning resulting from their work.

The remainder of the plans for the National Performance Programme for 2009/10 were delivered and good progress made on the delivery of the 2010/11 activities with Capacitybuilders. In 2010 the programme delivered 48 training courses (26 in 2009), 41 mentoring episodes (36 in 2009), 11 workshops (11 in 2009). We also produced and disseminated several new resources, and provided support to specialist infrastructure organisations. More information about the achievements of the National Performance Programme are available in the programme evaluation:

<http://www.ces-vol.org.uk/downloads/nationalperformanceprogrammeevaluation-788-796.pdf>

Aim 3: To provide an informed national policy voice on improving effectiveness to help create a supportive policy, regulatory and funding environment promoting both accountability and learning

Progress in this area included: Research on evaluation practice in the third sector; research findings shared with the Office for Civil Society (OCS) and London Funders; participation on the Third Sector Research Centre Advisory Panel; contribution to the OCS working group on Impact. We responded to the Government's consultation on the future of voluntary sector infrastructure and the Cabinet Office's call for evidence on the future of public services. Work continued to articulate CES' policy priorities; attendance at Office for Civil Society meetings looking at local authority commissioning practice.

Aim 4: To improve the effectiveness of funding practices through strategic engagement and consultancy support to statutory commissioners and sector funds.

Funders have a critical role to play in the field of monitoring and evaluation. As funding pressures on the sector grow, there is an even greater need for funders to ensure that their money has the maximum impact. During 2010 we worked even more closely with funders and developed our support to them – including new training courses aimed specifically at funders and a new edition of the CES guide for funders on monitoring and evaluation, *Does your money make a difference?* A specific category for funders was included in the Learning and Innovation Prize to get and share good practice from funders themselves. We also provided consultancy and training support to a number of funders and their grant recipients, particularly in monitoring and reporting outcomes.

Aim 5: Strategic Development

During 2010 a significant strategic review was undertaken leading to a new strategy and business model to respond to the current climate (see plans for the future). As part of this our marketing approach was reviewed and new tactics implemented which led to a high profile of our work, increased coverage in sector press and networks, and increased readership of our online publications, especially new ones.

Activities in Scotland

During the year we:

- ran six one-day training courses in Scotland; five on the topic of self-evaluation and one on PQASSO
- provided a free workshop for Scottish branches of a large UK voluntary organisation to tell them about PQASSO and the PQASSO Quality Mark
- provided consultancy to a Scottish befriending agency to support the re-drafting of their quality standards.

Towards the end of the year, three organisations in Scotland applied for the PQASSO Quality Mark, and work began on one of them in December.

As part of a drive by the Scottish Government to ensure greater efficiency and effectiveness of the Scottish voluntary sector, CES has been working in partnership with West Dunbartonshire CVS on a programme of “Supporting Voluntary Action”. CES is providing a range of training, including mentor training, to infrastructure organisations to better support around 120 frontline organisations to implement PQASSO and achieve the PQASSO Quality Mark. In 2010 we trained 32 PQASSO ‘mentors’ to cascade learning to organisations in their local area. Plans for 2011 include training PQASSO ‘peer reviewers’ to carry out external assessments of organisations in Scotland in order for them to be accredited and achieve the PQASSO Quality Mark.

How we have helped: A funders view

The City Bridge Trust Example

Introduction

The City Bridge Trust is a major grant-maker, awarding grants of £15 million a year to charitable projects benefiting the inhabitants of Greater London.

Stewart Goshawk, Principal Grants Officer at the Trust talks about why The City Bridge Trust chooses to support and work with Charities Evaluation Services.



A Funders View

The Need

When we were set up in the 1990s the quality of monitoring and evaluation in the sector was very patchy, but given the number of grants that the City Bridge Trust makes, we set good store in monitoring.

A great proportion of our grants are for revenue funding- often over three years- and we only require an annual monitoring and evaluation report before submitting the next tranche of funding. We talk to charities about monitoring and evaluation before making a grant, but it is easy for the monitoring and evaluation planning to get “lost” with staff turnover and other priorities, and monitoring and evaluation can get pushed to the side or attempts are made to do it retrospectively, but the data may not be available.

The organisations that we choose to fund are good at doing what they do, but not necessarily as good at evaluation. Generally we find that charities can do the monitoring (eg how many people they provided a service to) but then struggle to demonstrate the difference that they make.

The City Bridge Trust wanted to be a learning organisation, and not just a cash machine. We needed to get feedback from organisations on what they did with our funding, what they learnt, what was successful and how they could do it better next time to inform how we might allocate our grants in the future.

The City Bridge Trust starting grant-making in 1995 but found that we were not getting the information back that we needed to gain the learning and inform the strategy. We needed the organisations to provide the information to help us and therefore we needed to improve the skills base in the sector.

The Solution

The City Bridge Trust and Trust for London (formerly the City Parochial Foundation) are jointly funding CES to increase access to its training in quality and evaluation systems by subsidising staff from organisations funded by either Trust to attend the CES training courses. Courses include *Monitoring & Evaluation, Quality, How to Collect Data, How to Analyse Data, How to Demonstrate Outcomes*

We first started supporting CES in 2000 and are currently half way through our fourth three-year grant awarded. There are no other organisations that we have funded for that long, so this demonstrates how much we value the service that CES is providing to our grant recipients.

This training not only has a direct impact on the organisations that we are funding with the lessons being applied to the current organisations, but as the individuals are benefiting from the training and taking the principles on board, they will be taking the skills with them to any new organisations that they work with in the future, further extending the benefits to sector – but obviously we really hope that they fully embed the learnings in their own organisation first.

The support for CES is part of a series of support and advice services that we have provided over the years for our grant recipients. Others have included support for the Ethical Property Foundation, Centre for Accessible Environments, and the Media Trust. We want to help the sector to do what it does better and to professionalise where needed. We really feel that CES does this and their support for monitoring and evaluation helps organisations to improve and learn, but also to provide evidence to demonstrate the value of their work and be accountable to all their funders and supporters.

The difference it makes

When organisations fill in our monitoring form they are asked if they have had any training in monitoring and evaluation and if so with whom. Most of those who have had training respond with CES. However, anecdotally we can see who has and hasn't had training from the quality of information in the reports that they are submitting. We haven't done any scientific analysis of it, but we feel that we can see real improvements when representatives from the organisation have attended training.

Organisations that have had training from CES seem to better understand what they should be telling us and they have a real appreciation that they need to show the difference that they make and they know how to do it. They move on from the old "flat" reports that we use to get of the nature of '120 people attended the activity and they had a good time' to the impact of the attendance. Monitoring and evaluation has become part of the ongoing process for the charities. We are seeing better presentation and articulation of results and a more honest picture from charities which informs part of our own knowledge. We are able to share learning between organisations, and the challenges reported can be used to inform our future grant-making.

Some organisations that we have funded to attend the CES training are building it in to their everyday work across their organisation and not just the element that we are funding and that they need to report to us on. There is evidence of charities using the learning from the training and the monitoring and evaluation to inform their own practice, but it is not yet all and it will take time for the processes to become embedded in the organisations.

The City Bridge Trust is striving to use the information it collects from the charities we fund to demonstrate the difference that it makes itself and also to influence the grant-making strategy – but the sheer weight of grants made and reports received means that we can't always analyse the information to the extent that we want to, but it is something that we are working on. We are looking to be more strategic in accumulating information, starting to take a more thematic look at our grant-making to consider the difference that it has made. The better quality of information that we are receiving as a result of the support our funded organisations have received from CES is central to achieving this aim.

We have had very positive feedback about the CES training from the organisations that we have funded, but more than that we can see the real value that the service is adding to the Trust, the charities that we fund and ultimately their beneficiaries.

We are keen to continue to support the development of monitoring practices and organisational learning and improvement. Our funding to CES confirms our commitment to evaluation in the sector. Funders need to invest more in it to ensure that charities have the skills that they need to improve and do what they do even better. Funding the work of CES adds value to our grant-making and extends its impact.

'The experience of working with CES was all we could have hoped for – indeed you restored our faith in the whole process of evaluation. We particularly valued the care that was taken a) to set up an appropriate format and b) to actually collect the data and work out reasoned and supported report'

Consultancy client, August 2010

'We have had very positive feedback about the CES training from the organisations that we have funded, but more than that we can see the real value that the service is adding to the Trust, the charities that we fund and ultimately their beneficiaries.'

Stewart Goshawk, City Bridge Trust

Plans for the future

During 2010 it became clear that 2011 would see the end of a number of major funding lines and it therefore became vital to develop a comprehensive and effective Strategic Plan for the next three year period involving a significant cultural and structural change that will take effect from 1st April 2011 when our Capacity Builders funding and strategic Office for Civil Society partner funding will expire. The Business Plan involves a significant investment of CES' reserves in a plan for change that will increase our income from the services we provide as well as making significant cuts to our running costs and rationalising our staff team into the building at number 4 Coldbath Square. It will also involve a significant investment in new ICT, with a brand new website, database and CRM system to improve our efficiency and effectiveness.

The CES Operational Plan for 2011 set out four strategic aims, each accompanied by a number of critical success factors.

1. We will aim to improve the effectiveness of the sector through better use of planning, evaluation and quality
2. We will aim to improve the effectiveness of funding practice through strategic engagement and consultancy support to statutory commissioners and sector funders
3. We will respond to the dynamic environment and sector needs with new approaches, products and services
4. We will become a more efficient and effective organisation through an internal development and change programme

In addition we have set ourselves a number of ambitious targets for income and expenditure during the next financial period.

Improving the effectiveness of the sector

CES will offer a range of products and services to improve the effectiveness of all parts of the civil society sector. These will include large, medium and small organisations, federated organisations and infrastructure support agencies.

We will help frontline organisations achieve their missions as well as assisting them indirectly through developing appropriate products and services for infrastructure organisations, funders and policy makers.

We aim to deliver at least 295 days of training and 375 days of consultancy support to a wide range of organisations and aim to maintain our user satisfaction levels above 75% across all services. We will launch a range of new free resources in 2011 which will include *Monitoring and Evaluation on a Shoestring*, a guide to developing and using a Theory of Change and resources to consider IT for Outcomes. We will continue to promote PQASSO and the PQASSO Quality Mark.

We will launch a new website so as to improve the accessibility and use of the free resources that CES provides for the sector on planning, monitoring, evaluation and quality. This will also include a dedicated Jargonbuster website.

Improving the effectiveness of funding practice

We will continue to work closely with a growing list of funders so as to improve their funding practice and support their funded organisations to embed effective monitoring and evaluation and quality assurance mechanisms at the heart of their work.

We will seek to influence commissioners to consider framing the outcomes that they seek to purchase effectively.

New approaches, products and services

CES will have successfully completed its work as the lead agency in the National Performance Partnership by the end of the first quarter of 2011.

We will then research and develop new packages and products for launch in 2012. This process will be aided by the development of a new website which will be launched in the autumn of 2011 so as to more effectively promote all of CES' products, services and resources.

Internal development and change

CES' Business Plan for 2011-13 involves a significant restructuring of the organisation to ensure that it is able to raise increasing income from selling its products and services and reduce operational costs. We aim to complete this restructure to enable us to be more efficient and customer and earned income focused, early in 2011.

We will implement a new ICT infrastructure including a redesigned website and contact database to improve the efficiency and effectiveness of our internal processes.

We aim to increase our internal learning and learning from work with clients through improving our internal communications and knowledge management systems during 2011.

Structure, governance and management

CES is a company limited by guarantee and is governed by its Articles of Association, a copy of which is available on request. The company is also registered as a charity in England and Wales and separately in Scotland.

During the year, Ros Oakley and Nick Phillips continued as Chair and Vice Chair of CES respectively. During the year Jonathan Orchard resigned as Treasurer and after an external recruitment for the Treasurer post (during which time Matt Overd acted as interim Treasurer) we were able to appoint Nigel Scott to become the Honorary Treasurer. We have also recruited three new trustees to the Board: James Baddeley, Lisa Curtis and Dr Dave Trudinger and we have seen the resignation of Alan Rumary and Corinne Seymour.

Recruitment, appointment, induction and training of trustees

The Board has established procedures for recruiting and supporting trustees. A trustees' skills audit is conducted annually. Where areas are identified for which additional trustees would be helpful, an open recruitment process is scheduled, utilising wide and inclusive search methods such as advertising and networking with other charities. In addition, Board members and the chief executive use their own networks to encourage suitable people to come forward.

An induction and ongoing training programme ensures that new trustees are aware of their responsibilities, and enables them to learn about CES in a structured way so that they are able, from the start, to understand the charity's objectives and subscribe to them with conviction. All trustees identify their training needs annually and measures are taken to ensure that these needs are met.

Governance and decision making

The Board meets five times each year to discuss and review strategy, planning, development, financial and administrative matters. In addition there is an annual Awayday for the Board and Staff which was held this year in July to start the Strategic Planning process. In 2010 it was decided to discontinue the work of the Risk Audit Committee and establish a Finance and Resources Subcommittee which will continue to look at areas of risk and ensure that effective mitigation measures are in place.

The members of the Board of Trustees who served during the year were: Rosalind Oakley, Nicholas Philips, Jonathan Orchard, Matt Overd, Nigel Scott, James Baddeley, Lisa Curtis, Dave Eldridge, Bill Feinstein, Jenny Field, Alan Rumary, Susan Rossiter, Corinne Seymour and Dr Dave Trudinger.

While the Board of Trustees sets policy and strategy, day-to-day management of the organisation is delegated to the Chief Executive, Elizabeth Balgobin and Andy Gregg (from September 2010), in accordance with a Delegation of Authority Policy.

Senior Management Team

During 2010 there was considerable change in the staff team. Jane Jacobson has been on long term sickness leave and has been much missed in the organisation. In her absence we have been ably served by Nicola Hutcheson as a consultant to oversee the finances of the organisation from September. Tim Wilson left CES in September to take up a post at City Bridge Trust. He was replaced by Tania Cohen as Interim Director of the National Performance Programme.

Elizabeth Balgobin left CES at the end of October. The organisation was very grateful for all the work she had done as Interim Chief Executive.

Throughout the year the senior management team has taken collective responsibility for ensuring the effective management and forward planning of CES in line with decisions of the Board.

Volunteer help

Aside from our Board of Trustees, who between them contributed approximately eighty days of support, we engaged support from 2 volunteers: one to assist with financial reporting structures, and one intern to assist with research and costings to help us decide on the future of the CES training facilities.

Connections to wider networks

The charity is well networked through membership of umbrella bodies and through formal and informal partnerships. To give some examples, CES is a member of the National Council of Voluntary Organisations (NCVO), and the National Association for Voluntary and Community Action (NAVCA) affiliate scheme. Several members of staff are members of the UK Evaluation Society. The Chief Executive was actively involved in the Infrastructure National Partnership and the Third Sector Research Centre's Steering Group.

Related parties

CES has no subsidiaries. From April 2008, CES has acted as the accountable body for the Capacitybuilders National Support Service on performance management which we have titled the National Performance Programme. Our delivery partners in this project are:

- Association of Chief Executives of Voluntary Organisations (ACEVO)
- Voice4Change England (V4CE)
- New Philanthropy Capital (NPC) and
- New Economics Foundation (nef).
- Consortium of Lesbian, Gay, Bisexual and Transgendered Voluntary and Community Organisations (The LGBT Consortium)

Grant making

The charity made grants to institutions during the year as the accountable lead body for the National Performance Programme. Grants made are subject to separate restricted grant agreements as detailed in note 5 to the accounts.

CES does not invite grant applications from individuals or institutions.

Risk statement

Trustees are aware of their responsibility to ensure that the major risks to which the charity is exposed are identified and to establish systems to manage those risks. The trustees have a policy on risk management and have procedures in place to mitigate risks. The trustees have established a Finance and Resources Subcommittee as a subcommittee of the Board. This committee meets on a quarterly basis to analyse serious business risks that could impact on the charity, to set out the measures that staff must take to manage those risks, and to assess progress in implementing the risk mitigation measures.

The Board undertook or oversaw a number of other steps during 2010 to mitigate possible areas of risk including:

- Reviewing the annual health and safety report
- Reviewing compliance with data protection regulations
- Continuing to assess the risks to the third sector due to the national economic recession and responses to this
- Developing new or revised personnel policies and procedures
- Income and expenditure indicative forecasting to the end of 2012
- Reviewing CES' reserves policy
- Reviewing CES' investment policy
- Reviewing the Board's planning cycle
- Adopting a Trustee code of conduct

Continuing the comprehensive review of CES' governance and overall organisational management with reference to the PQASSO standards.

Financial review

This report and the attached accounts have been prepared in accordance with Statement of Recommended Practice: Accounting and Reporting by Charities (SORP, 2005) and with relevant companies and charities legislation and regulations.

The Statement of Financial Activities on page 30 shows CES' gross income from all sources and how this income was expended, and the split of activity between restricted and unrestricted funds.

Overview

2010 has been the beginning of a transition phase that will continue in to 2011 as large restricted grants began to come to an end and there was an increased focus on growing earned income.

We ended the year with net outgoing resources of £37,833, comprising net outgoing restricted funds of £44,995 and net surplus unrestricted funds of £7,162. Our 'free' reserves have increased to £490,765 (2009: £478,633), representing 7.1 months of fixed overhead expenditure or 3.2 months of total expenditure (2009: 3.1 months). The organisation is planning to invest substantial reserves in implementing its strategic plan in 2011.

Incoming resources

Total incoming resources for 2010 were £1,620,129 compared with £1,718,925 in the previous year, a decrease of £98,796. This was mainly made up of a fall in restricted grants of £195,474 (20%). Restricted grant income was still affected in 2010 by the end of the Big Lottery Fund grant for Phase 2 of the National Outcomes Programme in 2009 (£160,024 in 2009, £0 in 2010) and the Big Lottery Fund grant for the PQASSO Quality Mark coming to an end during 2010 (£142,820 in 2009 and £118,925 in 2010). The fall in incoming resources from restricted grants was offset in part by an increase in earned income of £100,751 (18%). A breakdown of grants received is shown in notes 2 and 3 to the accounts, and an analysis of the various projects undertaken using restricted grants is detailed in note 12 to the accounts.

Fundraising performance

CES' main income streams are grants from statutory and independent funders, earned income from fees for training, technical support and evaluations, and income from sales of PQASSO and other publications. As a specialist infrastructure organisation supporting other voluntary agencies, CES has not considered it to be a sensible investment to apply resources to soliciting individual donations.

Investment performance

CES had no investments other than cash at bank. We budget to spend all of our income on planned charitable activities, and the funds held in reserve are modest and may be required at short notice. The trustees have therefore considered it prudent that funds should be retained as cash and held in a bank account at the best rate of interest available.

Resources expended

Total expenditure in the year was £1,657,962, which was £181,769 or 10% less than in 2009, reflecting the reduction in activity in the restricted grant funded areas.

Expenditure is analysed into three main categories: charitable activities, governance of the charity, and the cost of generating funds. Charitable activities comprise the costs of providing technical support, evaluations and training, the main work of the charity. Expenditure on charitable activities was £1,613,094 in 2010 compared to £1,788,964 in the previous year, a decrease of 10%.

Expenditure on the governance of the charity was £27,143 (2009: £32,760). This category contains the costs of complying with regulations as well as managing the organisation's finances, including audit costs, trustee recruitment and training, and trustees' expenses.

The cost of generating funds, £17,725 in 2010 (2009: £18,007) includes mainly staff time spent on applying for grants, both unrestricted grants and restricted grants for projects.

A breakdown of all resources expended is shown in note 4 to the accounts, including an analysis of support costs.

Balance sheet

The balance sheet on page 31 of the accounts shows the financial position of the charity on 31 December 2010. Total net assets at the year-end were £712,938, made up of a fixed asset reserve of £171,096, a designated reserve of £18,001, a general reserve of £490,765 and restricted funds of £33,076. Net assets decreased by £37,833 from the previous year-end.

Fixed assets include the depreciated cost of our offices at 4 Coldbath Square. In 2008, the charity purchased the freehold of the building on which we previously held a long lease. The value of the property fell significantly in the economic downturn in 2009. We received three valuations in January 2010, which varied greatly, but the average of which was £665,000.

The trustees have set aside a designated fund in which to hold net income earned from the PQASSO Quality Mark service. These funds will be used to support development of the service.

Financial outlook

CES' financial position remains strong and the charity is well placed to meet its current and future commitments. In 2010 CES continued to rely to an important extent on the continued support of the Office for Civil Society, Capacitybuilders, the Big Lottery Fund and a number of trusts and foundations, to whom we wish to express our thanks. However, in 2010 we also had significant success in growing our earned income which we aim to continue in 2011 to reduce the impact of the loss of the large restricted grants which have been enjoyed in recent years.

Reserves and reserves policy

Following the adoption of the business plan, the reserves policy will be reviewed in 2011. The reserves policy currently in place was agreed in January 2010 and is set out below.

CES is committed to using its resources in pursuit of its charitable objects. It is also committed, however, to maintaining a level of reserves that is prudent to meet ongoing liabilities, sufficient to ensure that all service delivery commitments can be met and to protect the long-term future of our operations. CES' reserves policy seeks to balance these priorities by holding a level of reserves sufficient to:

- ensure the availability of sufficient working funds in hand (e.g. to ensure that spending commitments can be met even where income streams are erratic)
- enable further investment in the development of the organisation
- provide a breathing space in case of unexpected loss of income or increase in costs to ensure that services can be maintained
- provide sufficient funds for an orderly winding-down in the event of a need to cease operations.

CES resolves therefore to maintain a level of reserves equal to three months fixed overhead expenditure. Fixed overhead expenditure is defined as all overhead and staff costs not specifically covered by restricted funds.

We define 'reserves' as unrestricted funds which are freely available for our general purposes. We do not include capital funds or fixed assets which could only be realised by disposal, or restricted funds or unrestricted but designated funds.

The charity's free reserves at 31 December 2010 were £490,765 (2009: £478,633). This represents 7.1 months of fixed overhead expenditure and 3.2 months total expenditure in 2010. In 2010 the trustees approved a 3-year strategy which allowed for a significant investment of an element of free reserves in the development of the organisation.

The figure for reserves given above does not include the fixed asset reserve of £171,096 which can only be realised on the disposal of fixed assets. The reserve includes the depreciated cost of fixed assets, including the cost of the freehold property at 4 Coldbath Square less mortgage outstanding. The reserves balance also excludes the designated fund established by the trustees in the year for the continuing development of the PQASSO Quality Mark service.

Statement of Trustees' responsibilities

The trustees (who are also directors of Charities Evaluation Services for the purposes of company law) are responsible for preparing the trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charity for that period. In preparing these financial statements, trustees are required to:

- select suitable accounting policies and then apply them consistently
- observe the methods and principles in the Statement of Recommended Practice (Accounting and Reporting by Charities) (the Charities' SORP)
- make judgments and estimates that are reasonable and prudent
- state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Each of the trustees confirms that:

- so far as the trustee is aware, there is no relevant audit information of which the charity's auditors are unaware and
- the trustee has taken all the steps that he/she ought to have taken as a trustee in order to make himself/herself aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

The trustees are responsible for the maintenance and integrity of financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Andy Gregg, Company Secretary

4 May 2011

Independent auditor's report

Independent auditor's report to the trustees and members of Charities Evaluation Services

We have audited the financial statements of Charities Evaluation Services for the year ended 31 December 2010 which comprise the statement of financial activities, the balance sheet, the principal accounting policies and the related notes. 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 charity's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and to the charity's trustees as a body, in accordance with Section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charity's members and trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity, the charity's members as a body and the charity'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 are also the directors of the charitable company for the purposes of company law. As explained more fully in the Trustees' Responsibilities Statement set out in the Trustees' Annual Report, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with regulations made under those Acts.

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 (APB's) Ethical Standards for Auditors.

Scope of the audit of the accounts

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 Trustees' Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material inconsistencies we consider the implications for our report.

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 charity'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 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 2010 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 Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Annual Report 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 and the Charities Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion:

- the charitable company has not kept proper and adequate accounting records 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.

Edward Finch, Senior Statutory Auditor
for and on behalf of Buzzacott LLP, Statutory Auditor
130 Wood Street, London EC2V 6DL

Buzzacott LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

Financial Statements

Statement of Financial Activities

(incorporating the Income and Expenditure Account)
for the year ended 31 December 2010

	Note	Unrestricted funds 2010 £	Restricted funds 2010 £	Total funds 2010 £	Total funds 2009 £
Incoming resources					
Incoming resources from generated funds					
Core grants	2	169,301	-	169,301	172,812
Bank interest receivable		1,934	-	1,934	2,196
Incoming resources from charitable activities					
Grants for training, technical support and evaluations	3	-	779,045	779,045	974,519
Fees receivable for training, technical support and evaluations		667,284	-	667,284	566,533
Other incoming resources		2,565	-	2,565	2,865
Total incoming resources		841,084	779,045	1,620,129	1,718,925
Resources expended					
Costs of generating funds					
Fundraising		17,725	-	17,725	18,007
Costs of charitable activities					
CES training services		194,288	60,750	255,038	564,769
Technical support and evaluations		594,766	763,290	1,358,056	1,224,195
Governance costs		27,143	-	27,143	32,760
Total resources expended	4	833,922	824,040	1,657,962	1,839,731
Net outgoing resources for the year / Net expenditure for the year		7,162	(44,995)	(37,833)	(120,806)
Reconciliation of funds					
Total funds brought forward 1 January 2010		672,700	78,071	750,771	871,577
Total funds carried forward 31 December 2010		679,862	33,076	712,938	750,771

The results shown above are attributable to continuing operations only.

There are no recognised gains or losses other than those included in the results stated above and therefore no separate statement of total recognised gains and losses has been prepared.

The notes on pages 32 to 42 form an integral part of these accounts.

Balance Sheet

as at 31 December 2010

	Note	2010 £	2010 £	2009 £	2009 £
Fixed assets					
Tangible assets	7		401,920		420,672
Current assets					
Stocks	8	5,498		6,237	
Debtors	9	203,794		134,359	
Cash at bank and in hand		537,015		573,788	
		<u>746,307</u>		<u>714,384</u>	
Liabilities					
Creditors: Amounts falling due within one year	10	(217,909)		(153,329)	
Net Current Assets			<u>528,290</u>		<u>561,055</u>
Total Assets Less Current Liabilities					
			930,210		981,727
Creditors: Amounts falling due after more than one year	11		(217,272)		(230,956)
Net Assets			<u>712,938</u>		<u>750,771</u>
Funds					
Restricted	12		33,076		78,071
Unrestricted	13				
- Fixed Asset Reserve		171,096		176,433	
- Designated Reserve		18,001		17,634	
- General Reserve		490,765		478,633	
			<u>679,862</u>		<u>672,700</u>
			<u>712,938</u>		<u>750,771</u>

The notes on pages 32 to 42 form an integral part of these accounts.

Approved by the Board of Trustees on 4 May 2011 and signed on behalf of the Board
by

Rosalind Oakley (Chair)

Nigel Scott (Treasurer)

Charities Evaluation Services, Company Number 2510318 (England and Wales)

Notes to the Accounts

for the year ended 31 December 2010

1. Accounting Policies

(a) Basis of Accounting

The accounts have been prepared under the historical cost convention and in accordance with Statement of Recommended Practice – Accounting and Reporting by Charities (SORP 2005) issued in March 2005, applicable UK Law and Accounting Standards.

The principal accounting policies adopted in the preparation of the accounts are as follows:

(b) Incoming resources

Grant income is recognised in full when entitlement, measurement and certainty are established.

Grants (whether voluntary income for core funding or restricted grants for specific purposes) will only be deferred when:

The donor or funder specifies that the grant or donation must only be used in future accounting periods or

The donor or funder has imposed conditions, which must be met before the charity has unconditional entitlement.

Fees and investment income are recognised on an accruals basis.

The value of services provided by volunteers is not incorporated into these accounts. Further details of the contribution made by volunteers can be found in the trustees' annual report.

(c) Resources expended

Expenditure is recognised, including irrecoverable VAT, when a liability is incurred. Contractual arrangements and performance related grants are recognised as goods or services are supplied. Other grant payments are recognised when a constructive obligation arises that results in the payment being unavoidable. Grants offered subject to conditions which have not been met at the year end are noted as a commitment.

- **Costs of generating funds** are those costs incurred in attracting core grants and grants for charitable activities.
- **Costs of Charitable activities** include expenditure associated with the provision of evaluations, technical support and training and support costs relating to these activities.

- **Governance costs** include those incurred in the governance of the charity and its assets and are primarily associated with constitutional and statutory requirements.
- **Support costs** include central functions and have been allocated to activity cost categories on the basis of staff time.

Resources expended that are attributable to more than one sub-heading are apportioned accordingly. The apportionment is based on an estimate of the resources expended in each area. Rentals under operating leases are charged to the SOFA over the term of the lease.

(e) Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Assets	Depreciation rate
Freehold property	50 years straight line
Fixtures, fittings and equipment	3 years straight line
Computer equipment	3 years straight line

Tangible fixed assets acquired with grants relating to a specific project are written off over the life of the project. Tangible fixed assets acquired are only capitalised if the cost exceeds £100.

(f) Publication Stocks

Stocks are stated at the lower of cost and net realisable value.

(g) Pension Costs

The company contributes to the personal pension schemes of its employees. The company's contributions are charged to the Statement of Financial Activities as incurred.

(h) Corporation Tax

No liability arises as the company's charitable activities are exempt from corporation tax.

(i) Fund accounting

- **Restricted funds** consist of grants and donations made to the company to fund specific projects. Details of the projects are detailed in Note 12.

- The **Fixed Asset Reserve** is a designated fund established at the discretion of the trustees in recognition of the unrestricted funds invested in fixed assets, particularly the freehold property.
- The **PQASSO Quality Mark Reserve** is a designated fund established to set aside any surplus earned from Quality Mark service for the future development of the service.
- The **General Reserve** represents the other unrestricted funds available for use at the discretion of the trustees in pursuance of the charity's objects.

(j) Cash Flow

The company has taken advantage of the exemption in Financial Reporting Standard No. 1 from the requirement to produce a cash flow statement on the grounds that it is a small company.

2. Core grants and donations

Unrestricted grants and donations were received from the following funders:

	2010	2009
	£	£
NCVO (Campbell Anderson Prize 2009)	-	500
Office of the Third Sector	154,812	154,812
Wates Foundation	10,000	17,500
Donations	4,489	-
	169,301	172,812

3. Incoming resources from charitable activities

a) Restricted grants were received from the following funders:

	2010	2009
	£	£
Big Lottery Fund – National Outcomes Programme Phase 2 (BAS/2/01021283)	-	160,024
Big Lottery Fund – PQASSO Quality Mark (BAS/2/010261961)	118,295	142,820
Capacitybuilders – National Support Service on Performance Management	600,000	584,115
Capacitybuilders – Workshops for grant recipients	-	12,310
The City Bridge Trust – training	47,000	43,500
Trust for London (formerly City Parochial Foundation)	13,750	31,750
	779,045	974,519

b) Fees receivable were derived from the following services:

	2010	2009
	£	£
Technical support and evaluations	362,834	277,813
Training	304,450	288,720
	667,284	566,533

Fees receivable and similar income derived from overseas entities amounted to £18,964 (2009: £4,546).

4. Resources expended**(a) Analysis of total resources expended**

	Technical support & evaluation	CES Training Services	Governance costs	Costs of generating funds	Total 2010	Total 2009
	£	£	£	£	£	£
External direct costs, including freelance consultants/trainers	344,431	53,726	12,709	-	410,866	453,972
Grants to institutions (see Note 5)	90,951	-	-	-	90,951	197,183
Direct staff costs	612,883	154,510	2,017	3,586	772,996	742,595
Other office costs	201,214	44,332	598	1,064	247,208	237,269
Support, including costs of support staff	108,577	2,470	11,819	13,075	135,941	208,712
	1,358,056	255,038	27,143	17,725	1,657,962	1,839,731

Support costs are allocated on the basis of staff time.

(b) Analysis of support costs

	Technical support & evaluation	CES Training Services	Governance costs	Costs of generating funds	Total 2010	Total 2009
	£	£	£	£	£	£
General office, support staff and finance costs	106,239	2,417	11,564	12,794	133,014	202,626
Accountancy services	2,338	53	255	281	2,927	6,086
	108,577	2,470	11,819	13,075	135,941	208,712

Support costs are allocated on the basis of staff time

(c) Analysis of governance costs

	2010	2009
	£	£
External audit	7,100	7,265
Costs of AGM, trustee recruitment and trustees' travel expenses	5,609	4,487
Office costs and salaries allocated on the basis of staff time	14,434	21,008
	27,143	32,760

(d) Total staff costs

	2010	2009
	£	£
Wages and salaries	761,510	740,074
Social security costs	71,288	73,183
Pension costs	34,695	38,868
Other staff costs	10,339	20,941
	877,832	873,066

No employees earned more than £60,000 in the year (2009: one employee earned between £70,000 - £80,000).

The average monthly number of full time equivalent employees was:

	2010	2009
Administration, training, technical support and evaluations	20	20

(e) Trustee information

No remuneration was paid to the trustees during the year (2009: £Nil). Two trustees (2009: two) received travel expenses during the year of £289 (2009: £87).

5. Grants to institutions

CES is the lead body for the National Support Service on Performance Management – our National Performance Programme. CES has entered into partnership with ACEVO, New Economics Foundation, new Philanthropy Capital, Voice4Change England and the Consortium of Lesbian, Gay, Bisexual and Transgendered Voluntary and Community Organisations to deliver parts of the programme and in 2010 made restricted grants as set out below.

	Grants to institutions	
	2010	2009
	£	£
National Performance Programme:		
ACEVO	23,908	38,138
New Economics Foundation	7,605	62,500
New Philanthropy Capital	15,750	54,248
Voice4Change England	37,013	42,297
LGBT Consortium	6,675	-
	90,951	197,183

6. Resources Expended

This is stated after charging:	2010	2009
	£	£
Bank loan interest and charges	5,414	6,161
Auditor's remuneration	7,100	7,265
Depreciation of tangible fixed assets	25,489	30,768

7. Tangible Fixed Assets

	Freehold property	Fixtures, fittings and equipment	Computer equipment	Total
Cost:	£	£	£	£
At 1 January 2010	502,700	69,226	66,679	638,605
Additions	-	2,876	3,859	6,735
Disposals	-	-	(6,271)	(6,271)
At 31 December 2010	502,700	72,102	64,267	639,069
Depreciation:				
At 1 January 2010	98,940	64,483	54,508	217,931
Charge for the year	10,054	4,058	11,377	25,489
Eliminated on disposal	-	-	(6,271)	(6,271)
At 31 December 2010	108,994	68,541	59,614	237,149
Net book value at:				
31 December 2010	393,706	3,561	4,653	401,920
31 December 2009	403,760	4,741	12,171	420,672

*Freehold property is stated at cost. The property was previously held on a long lease, and the charity acquired the freehold in 2008. The current valuation is shown in the Trustees' Report.

8. Stocks

	2010	2009
	£	£
Publication stocks	5,498	6,237

9. Debtors

	2010	2009
	£	£
Trade debtors	147,879	97,430
Other debtors	6,337	9,256
Prepayments and accrued income	49,470	27,673
	203,686	134,359

10. Creditors: Amounts falling due within one year

	2010	2009
	£	£
Bank loan	13,551	13,283
Taxation and social security	25,640	6,737
Accruals	44,319	18,557
Deferred income (see below)	63,404	74,677
Other creditors	70,995	40,075
	217,909	153,329

Deferred income

	2010	2009
	£	£
Balance at 1 January 2010	74,677	42,821
Amount released to incoming resources	(74,677)	(42,821)
Amount deferred in the year:		
Technical support	10,063	38,732
Training	50,341	35,508
Other	3,000	437
Balance at 31 December 2010	63,404	74,677

11. Creditors: Amounts falling due after more than one year

	2010	2009
	£	£
Bank loan	217,272	230,956
The bank loan is repayable by instalments as follows:		
- within one year	13,551	13,283
- between one and two years	13,822	13,549
- between two and five years	43,148	42,294
- over five years	160,302	175,113
	230,823	244,239
Included within current creditors	(13,551)	(13,283)
	217,272	230,956

The bank loan is secured by a fixed charge over CES' freehold property, together with a right of set-off in respect of the cash deposits held with the bank. Interest is chargeable at a rate of 1.5% over the bank's base rate.

12. Restricted Funds

	Movement in resources			Balance 31 December 2010 £
	Balance 1 January 2010 £	Incoming £	Outgoing £	
(a) National Performance Programme	31,458	600,000	(598,382)	33,076
(b) PQASSO Quality Mark 2007/10 (Big Lottery Fund - BAS/2/010261961)	46,613	118,295	(164,908)	-
(c) Training services for voluntary and community organisations in London	-	60,750	(60,750)	-
	78,071	779,045	(824,040)	33,076

- a) Capacitybuilders funds the National Support Service on Performance Management (our National Performance Programme). The programme is funded from April 2008 to March 2011. The grant is received quarterly. The amount carried forward is committed to be spent in early 2011.
- b) The development of CES' PQASSO Quality Mark service was supported by a three-year grant from the big Lottery Fund (Ref. BAS/2/010261961). The grant covers the period October 2007 to September 2010 and was received quarterly in accordance with our work plans and cash flow forecasts.
- c) Grants totalling £60,750 received in 2010 from the City Bridge Trust and Trust for London (formerly City Parochial Foundation) were used to support training in monitoring and evaluation and quality assurance for small and medium-sized voluntary organisations in London.

13. Movements in funds - unrestricted funds

	Movement in resources				Balance 31 December 2010
	Balance 1 January 2010	Incoming	Outgoing	Transfer between reserves	
		£	£	£	£
Fixed Asset Reserve	176,433	-	(25,489)	20,152	171,096
PQASSO Quality Mark Reserve	17,634	-	-	367	18,001
General Reserve	478,633	841,084	(808,433)	(20,519)	490,765
	672,700	841,084	(833,922)	-	679,862

The Fixed Asset Reserve is a designated fund established at the discretion of the trustees in recognition of the unrestricted funds invested in fixed assets, particularly freehold property.

The PQASSO Quality Mark Reserve is a designated fund established to ring fence funds for the continuing development of the PQASSO Quality Mark service. The fund contains the income received for PQASSO Quality Mark peer reviews, less the costs of providing the reviews.

The General Reserve represents the other unrestricted funds available for use at the discretion of the trustees in pursuance of the charity's activities.

14. Analysis of net assets between funds

	Unrestricted funds	Designated funds	Restricted funds	Total funds
	£	£	£	£
Fixed assets	401,920	-	-	401,920
Net current assets	477,213	18,001	33,076	528,290
Creditors of more than one year	(217,272)	-	-	(217,272)
	661,861	18,001	33,076	712,938

15. Operating lease commitments

The annual amounts payable in respect of operating leases shown below are analysed according to the expiry of the leases.

	2010	2009
	£	£
One year	23,483	-
Between two and five years	25,463	47,926
Over five years	-	-
	<hr/>	<hr/>

In August 2008 CES acquired two leases on premises at 10 Coldbath Square, London EC1R 5HL for the purposes of providing a training room and additional office space. There are two leases, each for six years with break clauses operating at the end of the third, fourth and fifth years. CES is breaking its lease on the office at 10 Coldbath Square in August 2011.

16. Pension Fund

The company contributes to the personal pension schemes of its employees. Payments made into their schemes during the year amounted to £34,695 (2009: £38,868).

17. Related Party Transactions

There were no related party transactions in the year under review.

Reference and Administrative Details

Trustees

Rosalind Oakley (Chair)
Nicolas Phillips (Vice Chair from 27 January 2010)
Jonathan Orchard (Treasurer to 01 December 2010)
Matt Overd (Acting Treasurer from 15 September to 30 November 2010)
Nigel Scott (Treasurer from 01 December 2010)

Claire Caffrey (retired 27 January 2010)
Dave Eldridge
Bill Feinstein
Jenny Field
Matt Overd
Sue Rossiter
Alan Rumary (retired 21 July 2010)
Corinne Seymour (retired 01 December 2010)
David Trudinger (01 December 2010)
James Baddeley (01 December 2010)
Lisa Curtis (01 December 2010)

Chief Executive and Company Secretary

Elizabeth Balgobin (to 14 September 2010)
Andy Gregg (from 15 September 2010)

Senior Managers

Jane Jacobson
Sally Anne Matthews
Tim Wilson (to 28 September 2010)
Tania Cohen (from 6 September 2010)

Company registration number

2510318 (England and Wales)

Charity registration number

803602 in England and Wales
SC040937 in Scotland

Registered Office

Charities Evaluation Services
4 Coldbath Square, London EC1R 5HL

Auditors

Buzzacott LLP
130 Wood Street, London EC2V 6DL

Bankers

Unity Trust Bank Plc
Nine Brindley Place, 4 Oozells Square,
Birmingham B1 2HB

CAF Bank
25 Kings Hill Avenue, Kings Hill, West
Malling ME19 4TA

CCLA
80 Cheapside, London EC2V 6DZ

Solicitors

Bates Wells & Braithwaite LLP
2-6 Cannon Street, London EC4M 6YH

Russell-Cooke Solicitors
2 Putney Hill, London SW15 6AB

Rollitts
Rowntree Wharf, Navigation Road,
York YO1 9WE



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