**RESERVES AND INVESTMENT POLICY**

THE TARN MOOR ESTATE

1. **Introduction**

**Charitable Purpose**

The Trust’s charitable purpose is the general benefit of the inhabitants of the area of benefit (ie Skipton residents).

**Investment Approach**

The Trust’s governing document (Scheme dated 8 November 1999) refers to permanent and expendable endowment; however, according to guidance received from the Charity Commission, and to accord with the charitable objective, all funds are regarded as freely expendable.

Following any disposal of assets, the capital receipts may immediately be spent or, if they cannot be so expended, may be held in cash as income funds for later expenditure, or may be re-invested in alternative income-producing investments, as set out in this Investment Policy.

For the purpose of this policy, a Total Return on Investment approach, as defined in the Trusts (Capital & Income Act 2013), is followed, with the effect that returns from all investments may be spent for the charitable purpose.

1. **Reserves Policy**

The Trustees aim, on an annual basis, to apply the income of the charity in furtherance of the charitable object and sufficient reserves are held for the purpose of maintaining the Trust’s assets (land and properties) as and when necessary.

Available funds held in reserves, derived from the sale of investments and from unexpended income, may be invested from time to time, as the Trustees may decide, and as set out in the Investment Policy below, for the longer-term provision of a source of income for grants and donations.

1. **Investment Policy**

On an annual basis, the Trustees will use all reasonable means to spend the income derived from the Trust’s assets in furtherance of the charitable objective.

The aim of this Investment Policy is to invest such reserve funds and annual income as may remain unexpended at the end of each financial year.

The Trustees aim to do this by holding a portfolio of assets, which will include cash funds available for immediate expenditure on grants and donations, and longer term land and property holdings, most of which will generate annual income to be made available on an ongoing basis for grants for the benefit of Skipton residents\*.

The Trustees recognise their duty to use charitable funds reasonably and not to place the funds at risk, and therefore their primary aim in holding assets and investing the charity’s funds is to ensure the security of funds for the continued and future achievement of the charity’s purpose. For these reasons, the Trustees have adopted a low-risk investment strategy in which land, and the cash holdings of annual income derived from it, are regarded as secure and appropriate investment vehicles for the charity.

\**Note: a small proportion of the land holdings may be non-income generating but are held in furtherance of the charitable object of general benefit where small areas of natural woodland and open country are preserved and enhanced for the enjoyment of Skipton residents.*

1. **Current Portfolio (for asset values see Financial Accounts on Charity Commission website –**  www.gov.uk/government/organisations/charity-commission
2. Assets in Expendable Endowment Fund

|  |  |
| --- | --- |
| Land/Property  | Cash  |
| Craven Heifer Inn | Cash Fund: Barclays 1 |
| Farm land and copses | Cash Fund: Barclays 2 |
| Part golf course | Cash Fund: Barclays 3 |
| Brackenley Lane Copse |  |
| Bog Wood | Income Fund: Skipton BS |
| Little Wood |  |
| Skyrakes |  |
| Grassington Road |  |
| Coach St, Skipton |  |

1. Assets in Expendable Endowment Fund – Programme Related Investment

*ie income-generating investments which may also have the primary aim of furthering the charitable object of general benefit*

|  |
| --- |
| Asset |
| Memorial Woodland |

**This policy is reviewed on an annual basis**