



## WSRA POLICY No F7: Investing charity Funds

---

### Scope

WSRA has been fortunate to receive significant legacies in recent years and whilst spending plans are in place, some of these will take several years to achieve – eg restoring steam locomotives. In order to obtain best value whilst also protecting and retaining the charity's assets the Trustees will invest funds not immediately required in a diversified range of asset classes and regions. We will consider investing in investment vehicles that align with our charitable mission and objectives.

### Objectives

Our investment objectives are to achieve growth and income, whilst safeguarding the original capital funds for the planned spending purpose. We aim to generate sustainable returns that allow us to achieve our charitable objectives whilst also protecting the capital value of our investments.

### Risk Appetite

We recognize that every investment carries risk, and we will manage these risks to ensure that they are commensurate with our objectives and the financial resources available. Our charity's risk appetite is low, and our purpose in investing funds is to achieve a better return on investment overall than is available via simply instant access savings accounts.

### Balancing Risk and Return

We will balance risk and return to achieve our investment objectives. We will seek to achieve our investment goals through low-risk investments via diversified portfolio of accounts and investments that suit the needs of the charity and attract the most benefit of the FSCS protection scheme.

### Amount Available

We will invest our financial resources in line with our objectives, risk appetite, and investment policy. The amount we have available for fixed term investment will be reviewed every six months, and we will adjust our investment strategy as necessary to ensure that we continue to meet our objectives.

### Time Horizon

Our investment time horizon is medium-term, and we aim to invest only in funds for the medium term. We recognize that investing is an activity that requires a disciplined approach over a period of time to generate sustainable returns.

### Liquidity Needs

We will ensure that we have sufficient liquidity to meet our financial commitments, including grants and other charitable activities. We will invest in liquid assets and maintain an appropriate level of instant access cash reserves to ensure that we can access our money when we need it.

## **Types of Investments**

At this time we are only considering investing in fixed term accounts, in line with our risk appetite and investment objectives.

## **Decision-Makers**

The trustees are responsible for making investment decisions, including approving the investment policy, setting investment objectives, and selecting investment managers.

## **Key Performance Indicators**

We will measure the performance of our investments based on the total return, risk-adjusted return, and other appropriate benchmarks. We will review our performance regularly and adjust our investment strategy as necessary.

## **Reporting Requirements**

We will communicate investment performance to our stakeholders annually, including members, donors, beneficiaries, and the Charity Commission.

## **Investment Manager**

We have no plans to engage an investment manager. Trustees are responsible for implementing the investment strategy, making investment decisions and reporting on investment performance.

## **Responsibility of the Trustees**

The trustees have a legal obligation to secure the best financial return within the appropriate level of risk to be spent on the charity's aims. They must take advice, select the right investments, and communicate their decisions to stakeholders.

## **Charity Investment Governance Principles**

We follow the principles, which are as follows:

- Purpose of investment - legal and practical considerations.
- Leadership - governance, structure and delegation framework.
- Integrity.
  - Avoiding conflicts with our purposes.
  - Avoiding reputational risks.
  - Placing the charity's purposes at the forefront of our investments.
- Decision making - risk and control, including how we work with external providers and our investment policy.
- Effectiveness - recruiting the right trustees.
- Equity, diversity and inclusion.
- Openness and accountability – the information we publish.

Our investment policy sets out our charity's approach to investing. It is a framework for making investment decisions, managing our financial resources, and meeting our governance responsibilities. We will review our investment policy annually to ensure that it continues to align with our charitable mission and objectives.

|                              |                   |
|------------------------------|-------------------|
| Policy Author                | Jacque Green - GM |
| Date confirmed by WSRA Board | 14.10.2024        |
| Date Implemented             | 15.10.2024        |
| Review Interval              | Annually          |
| Next Review Due              | October 2025      |

## Appendix 1 - Regulatory Guidance

### Charity Commission

[Charities and investment matters: a guide for trustees \(CC14\).](#)

[Charity reporting and accounting: the essentials \(CC15b\).](#)

[Internal financial controls for charities \(CC8\).](#)

### HMRC

[Annex iii: approved charitable investments and loans.](#)