

# KLCF Investment Policy

14/09/2011

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- 1) General Background

King's Lynn Christian Fellowship (KLCF) is a Christian Church based in King's Lynn. KLCF is a registered charity (Charity number 1021073) and operates under both teams of Eldership and Trustees.

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The main activities of KLCF are as follows:

We run regular Sunday services for members and non-members alike. These incorporate praise and worship, prayer, preaching and teaching. Teaching for children is also provided, and there are opportunities for social interaction and practical support. The bookshop is opened.

During the week there are: regular meetings for prayer, pastoral support, encouragement, teaching and practical help; a cafe with a particular emphasis on meeting the needs of the poor and needy; a parent and toddler group incorporating teaching parenting skills; an after-school club; events for young people and teenagers; a club for the elderly; social and fun events for church members and others. We also run outreach events on a nearby deprived estate that include sharing the Christian faith through music, preaching and in practical ways.

We use our own minibus to transport to Sunday and midweek events people who would otherwise be unable to attend. Our two buildings are offered to local voluntary, charitable and other user groups for appropriate activities such as donating blood, pregnancy crisis support and young carers support. We support church members who go into local schools to teach on Christianity and we offer a facility for prayer and practical help for members in hospital.

We support a number of partner churches overseas financially, with other practical support and with exchange visits. We also support other churches locally and regionally.

## 2) Financial Profile

### a. Assets

KLCF owns a property known as the King's Centre at Wellesley Street King's Lynn from where we run a bookshop and weekly café. We also own a further property known as the Community rooms at Market Street King's Lynn. Both these buildings are in good order and used for various church meetings and occasionally hired out to approved user groups

Within the main building at Wellesley Street there is a full range of PA equipment, seating, kitchen equipment and musical instruments etc. usually associated with a modern church, along with administration support facilities, administration equipment, Bookshop stock and Coffee shop equipment. We also currently own a minibus and trailer.

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## b. Sources of Income

- i. Offerings – tend to be relatively stable on a month by month basis although a peak tends to occur during the first week of each month, and we occasionally may receive larger one off gifts.
- ii. Gift Aid on the appropriate offerings – tends to be claimed once every year usually during May / June
- iii. Hire of the Hall to approved organisations such as the Blood Donors
- iv. Investment income
- v. The Bookshop – has a weekly income although only open on a part time basis
- vi. The Well Café – currently open one day per week
- vii. Subscriptions
- viii. Events connected with the aims of KLCF
- ix. Restricted income for specific supported missions

## c. Normal Cash Flow Requirements

- i. Salaries for employees - currently paid on the 25<sup>th</sup> of each month
- ii. Employee tax & NI – paid monthly at the end of each month
- iii. Ministerial fees and gifts – paid both weekly and monthly
- iv. Missions gifts & supported outreach – paid both monthly and quarterly to regular supported missions, and also as and when needs arise.
- v. Supportive gifting
- vi. Administration & stationery
- vii. Utilities & Insurance
- viii. Refreshments
- ix. Equipment and maintenance

## d. Future Major Expenditure

Whilst there are no immediate plans for major additional expenditure, examples that may arise in the future are:

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- i. New or larger premises.
- ii. Missions funding either in the UK or abroad.
- iii. Additional staffing

## 3) Investment Powers

- a. The trustees will ensure that all investments of KLCF conform to this investment policy unless an amendment is required in the future at which point a revised policy will be produced. All amendments to this investment policy will need to be agreed by a majority of the Trustees.
- b. In order to meet cash flow needs, the movement of funds between a current account and a deposit account are at the discretion of the treasurer. Any longer term investments must be put before the trustees and agreed by a majority.

## 4) Investment Policy

- a. General Objectives
  - i. KLCF will invest reasonable resources to provide a reserve to offset against any unforeseen expenditure or immediate drop in income. The amount of this reserve will be in accordance with the KLCF reserves policy.
  - ii. Funds may be accrued to meet the cost of significant future requirements as listed in 2d.
  - iii. All of the funds invested outside of the current account have non-restrictive status and can therefore be used at the discretion of the trustees and Church Elders for the furtherance of the KLCF objectives, but always in accordance with the governing documents.
- b. Balance between intended capital growth and immediate income requirements
  - i. It is not intended that KLCF will build up such a large reserve or investment portfolio that it could exist on the income of investments.
  - ii. All investments should be accessible if required even if there is a loss of interest due to an early redemption penalty
- c. Acceptable Risk
  - i. The Trustees will ensure that KLCF funds are invested in low risk secure investments. These may be for medium to longer terms but the capital should always be secure

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- ii. Investments in stocks & shares are not permitted.
    - iii. Investments in property, companies of share schemes will not be permitted.
    - iv. All investments will be in the name of King's Lynn Christian Fellowship
  - d. Functions delegated to the trustees' agent (investment manager)
    - i. No investment manager will be employed by KLCF.
    - ii. Invested funds can be managed by banks or similar institutions but only where the capital is secure such as deposit accounts or fixed term secure investments.
  - e. Cash flow
    - i. Cash flow will be monitored by the treasurer and funds moved to and from the deposit account as needed to meet any specific short term needs.
    - ii. A monthly statement of accounts is circulated by the treasurer to the Trustees. Should it become apparent that there is a trend arising showing that the immediate income is not meeting the commitments of KLCF the trustees will agree to either call upon invested reserves with a timely review, or reduce expenditure.
    - iii. It is not intended that KLCF will need to rely on income from investments to meet regular cash flow requirements
  - f. Ethical restrictions and exclusions
    - i. KLCF will not knowingly invest with any institution exploiting any peoples or nations
    - ii. KLCF will not knowingly invest with any institutions who actively promote alternative religions to Christianity or may be involved in activities detrimental to the Christian faith
- 5) Investment performance benchmarking
- a. Any investment portfolio and level of return will be reviewed by the Trustees at the AGM and at additional meetings if required.
  - b. The level of return will need to be judged against the need for a secure investment and limitations on the term which will be subject to the discretion of the trustees.
- 6) Funds held on deposit

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Funds suitable for deposit accounts or other investments can be held in varying terms as seen appropriate at the time, although the funds should always be accessible.

The understanding of this investment portfolio should be with the agreement of the trustees.

- 7) Use of nominee facilities  
Will not be required
- 8) Appointment of the charity's investment "agent" (investment manager)]  
KLCF sees no need of an investment agent other than the standard financial institutions ie a bank or similar.
- 9) Remuneration  
KLCF will not at this time be looking to employ or remunerate any persons for advice or functionality of investments.
- 10) Insurance cover  
Will not be required as only secure investments are being considered
- 11) Reporting requirements  
Monthly and yearly accounts will be provided by the KLCF treasurer to the Trustees
- 12) Required periodic reviews  
Main reviews will occur at least annually at the Trustee AGM, but further reviews can be made if appropriate or requested.
- 13) Exercising delegation of investment functions  
The treasurer will act within his or her discretion on movement of funds between the deposit account and current account. No other delegation of responsibility will be deemed necessary at this time as other investments will only be with the explicit trustee & KLCF Eldership approval.
- 14) Powers to delegate to an investment sub committee  
Not applicable
- 15) Authorised persons  
Trustees & signatories:

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- i. Paul Randerson –Trustee, Pastor & Signatory
- ii. Andy Osborne – Trustee
- iii. Simon Messam – Trustee & Signatory
- iv. Tim Porter – Trustee & Signatory
- v. Darryl Mallet – Trustee & Signatory

Signed and Approved.....

Date.....

Name Printed.....

Signed and Approved.....

Date.....

Name Printed.....