



## **Hull and District Chess Association**

### **Charitable Trust (Charity Reference 1155858)**

#### **Investment Strategy**

##### ***Introduction***

As a registered charity we are allowed by the Charity Commission (CC) to invest funds. The CC provides advice on the means to achieve this. The H&DCA Trustee strategy is drawn up in accordance with recommendations of the CC in particular “Guidance Notes CC14” and associated documents including relevant HMRC documents on tax implications and protection of investments. The Charity will use the income from the investments to promote chess in accordance with its agreed objects. The deployment of the income, on an annual basis, forms the basis of the “Financial Strategy” which in turn provides for the delivery of our “Chess Strategy”.

##### ***Summary***

The overall aim of this strategy is to provide an environment in which the Trustees are able to use sufficient income from its investments (held within the ‘Ross Fund’) to promote chess in accordance with the Charity’s overall Chess Strategy as agreed by its members. The Trustees therefore will ensure that these funds should be used to carry on the wishes of the late R P Ross by promoting and developing chess in the Hull and District area. The Association will seek advice on how to invest the funds on a long term basis, ensuring enough funds are available to deliver the Chess Strategy, as well as provide some protection against inflation over the long term.

##### ***Strategy***

1. To use investment income to solely promote chess and increase player numbers in the Hull and District area in line with the agreed Chess Strategy and the original aims of the RPR legacy.
2. The amount of income required to promote this strategy to be agreed on an annual basis by the Trustees at, or before, the beginning of the financial year. By law the Charity must spend the income it receives within a reasonable period of time and it will be the intention of the Trust to ensure the full income received is expended each year (notwithstanding 3 below).
3. Where possible the overall value of the fund shall be maintained after allowing for inflation, but this shall not be to the detriment of the delivery of the Chess Strategy. Any surplus income will be re-invested. This will enable the Charity to meet not only its current but also its future needs.

4. To seek advice from professional financial advisors/ investment managers to the most appropriate vehicles for the deployment of the Charity's Investment Funds. Typically the Charity will seek to invest in areas of low/medium risk, minimise fees and charges and exploit the charitable status to minimise tax implications.
5. To hold a reserve in line with the Charities Reserves Strategy in accordance with guidelines recommended by the CC. All working funds will be held in a current account(s) as agreed by the Trustees.
6. The Hon.Treasurer will provide an annual investment report to the Trustees and the Annual general meeting in line with advice from the Trusts Investment Managers. Performance will be reviewed annually against a benchmark agreed with our advisors/investment managers.

Approved Meeting of the Trustees : 3/02/15



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**Reserves Strategy**

The Trust will keep 'in reserve'

- a sum equivalent to the annual deployment of income from the Ross legacy
- one year's Association core running costs
- the full cost of one year's total congress costs will be held in a separate congress reserve.

The purpose of the reserve shall be:

- to deal with any 'emergency' funding required
- to minimise any short term financial risk from variations in the capital provision of the Charity's Investment Funds

These reserves will be deployed should there be a shortfall in congress or Association running costs in any year which cannot be covered from the Associations current account/s.

Reserves will be invested in low risk environment, but with the highest yield available where the capital can be released within a maximum of two week period. Ideally this will be in a fund which shall keep pace with, or better than inflation.

The Reserve Account will be separate from the Charities current account/s held by the Hon. Treasurer which will hold the funds required for expenditure during the year.

Approved Meeting of the trustees ; 03/02/15