

Preston Road Community Centre

Investment policy

Introduction

Preston Road Community Centre (CiO) is a charity set up for the benefit of the residents of South Abingdon and beyond. The CiO operates the Community Centre leased from the local council for a small annual rent and has obligations under the lease for maintaining and managing the centre to a good standard. The council in return maintains the fabric of the building.

The CiO provides facilities to Members and Member Organisations that allow a variety of activities to take place at the centre. These activities are in line with the Objects of the charity to meet the needs of the public that use the centre. The CiO does not generally run activities directly itself the exception being fund-raising events. The CiO also supports others in providing activities where the objects are complimentary to its own.

Finance

The income of The CiO is raised through charges for the hire made of the facilities by Members, Member Organisations and the general public for private functions. The CiO also uses Grant funding routes to support capital projects for improvements that enhance the facilities or operation of the centre.

The expenditure of The CiO comprises the costs of heating, lighting, cleaning and routine maintenance of the centre. This does not represent the true running cost as a significant proportion of regular tasks are carried out by unpaid volunteers.

The financial targets that The CiO works to are to maintain hire charges as low as practicably possible to ensure maximum accessibility of the facilities to the widest range of people of varying backgrounds. This is balanced by the need to retain sufficient funds to ensure the continued operation of the CiO if income reduces and to meet obligations for maintaining the centre as prescribed in the Lease.

Investment

The CiO's investment policy is set around improvements to the building and facilities therein to meet the obligations of the Lease and to support increased efficiency in running the Centre. A small surplus of income over expenditure each year has allowed funds to be used to seed projects to facilitate Grant Funding applications to meet the main cost of such projects. For example, projects that increase energy efficiency by replacing ageing or life expired heating and lighting have resulted in a significant reduction in energy consumption and therefore cost. This is in effect a Programme Related Investment (PRI) because the project funds expended work towards reducing the costs of running the centre which in turn result in low (relative) hire charges.

The net outcome of this is that through reinvestment of surplus income into the centre the objects of providing a low cost meeting place accessible to people from all backgrounds to enjoy activities that will improve their outlook and wellbeing consistent with the objects of the charity.

The CiO's liquid assets (i.e. surplus cash) that are required for immediate access will be kept in a UK bank or UK building society current account. All other liquid assets will be kept in a UK bank or UK building society deposit account. If significant liquid assets accrue but will not be required in the next three to five years cycle, the Trustees may recommend a longer term investment.

The CiO could put off investment and earmark project funds where the lease is pending renewal.

Reviewed at the meeting: 26th Feb 2024
Review: by the end of Feb 2026