



Investment Policy

Investing reserves

Significant resources are held in reserves from year to year. Therefore the trustees have considered whether some of these reserves can be invested to obtain a financial return for the garden. In determining their investment policy the trustees considered

- when the reserves might be required in the medium-term or at short notice to meet urgent need
- the acceptable level of investment risk.

As a charity with relatively small sums to invest the investment policy for reserves is quite straightforward. It has been decided to hold surplus funds with a UK bank or building society in an interest bearing account

- linked to the charity's current account allowing for same-day money transfer
- on deposit with a fixed notice period

Selecting providers

The key criteria in selecting the financial institutions are

- ethical investment especially in matters of concern for the garden such as organic food, renewable energy etc.
- low risk with fair rate of return
- ease of access

A number of institutions were considered including

- Co-operative Bank provides the garden's current account and has a branch at the Angel
- Triodos Bank offers online deposit accounts for charities and supports sustainable projects
- Nationwide Building Society offers saver accounts with good rates of interest
- Charities Aid Foundation (CAF) offers deposit options provided by third party suppliers

The following were ruled out

- CAF provider makes no mention of ethics or sustainability in its marketing material
- Nationwide Building Society shows limited commitment to ethics other than its mutuality

Deposit options

It has been decided to retain a minimum of £5,000 in the current account at the Co-Operative bank and invest the remainder of the total reserves and designated funds. Of that amount it is recommended that

- a minimum of £10,000 be held on a deposit with instant access linked to the current account at the Co-Operative Bank
- the remainder up to £20,000 on 90 days' notice with a higher rate of interest at Triodos Bank.

The amounts in each account are to be kept under review on a monthly basis.

See table below for options.

	Interest rate *	Interest paid **	Minimum amount **	Managed by	Withdrawal by
Co-Operative Bank					
Instant access	0.37%	April / October	£1	online / telephone	online / telephone
14 days' notice	0.37%	April / October	£1	online / telephone	online / telephone
Triodos Bank					
Easy access	0.35 0.40%	quarterly	£1,000 £5,000	online / telephone / post	online / post
33 days' notice	0.40% 0.45%	quarterly	£1,000 £5,000	online / telephone / post	online / post
90 days' notice	0.60% 0.65%	quarterly	£1,000 £5,000	online / telephone / post	online / post

* variable ** calculated daily *** for interest