

Appendix B

City of London Corporation Combined Relief of Poverty (1073660)

DRAFT Reserves Policy – based upon position as at 31/03/2020

The charity holds permanent and expendable endowment funds. The permanent endowment funds are held in perpetuity. It is the Trustee's policy to invest the assets of the charity held within this permanent endowment fund to retain the real value of the endowment whilst generating income for the activities undertaken. The expendable endowment is further held to generate sufficient income to enable the charity's objects to be met.

The charity's unrestricted income funds can be utilised at the discretion of the Trustee to further the charity's purposes and to meet the reasonable costs and expenses of administering the charity.

The free reserves of the charity are held to cover working capital needs. The Trustee has resolved that an amount of £10,000 should be held in reserve, which sum will be subject to annual review.

The charity currently holds free reserves of £86,295, being £76,295 above the stated policy, with the Trustee being sensitive to the as yet unknown long-term impacts of the Covid-19 pandemic on investments held and subject to a review of its funding policies which are intended to support increased distribution of charitable funds.

Useful information for the funds balances held

Funds held	31/03/2020	31/03/2019	Increase / (Decrease)
	£	£	%
Unrestricted income funds (free reserves)	86,295	57,944	48.9%
Restricted funds	301,891	355,207	(15.0%)
Endowment funds:			
- Permanent	3,037	3,732	(18.6%)
- Expendable	85,732	105,338	(18.6%)
Total funds	476,956	522,221	(8.7%)

Any income arising from the endowment funds and restricted funds held are accounted for within the unrestricted income funds.

In addition to the unrestricted and restricted funds, the Trustee also has the discretion to apply the expendable endowment. To enable this to take place, the Trustee would need to resolve to release the restrictions on expenditure of the expendable endowment. Further, investments currently held in the Charities Pool would need to be disposed of.