

INVESTMENT POLICY

BHASVIC's policy for the investment of funds is:

1. Security of the capital is paramount
2. Cash funds must be available to meet disbursements as they arise
3. Subject to 1 and 2 above, interest earned must be maximised, commensurate with the administrative effort involved

Funds may be placed with any of the following financial organisations in any cash instrument:

Banks	Abbey National, Alliance & Leicester, Bank of Scotland, Barclays, Halifax, HSBC, Lloyds TSB, Royal Bank of Scotland, Woolwich
Building Societies	Nationwide
National Savings	Any appropriate account

All of these organisations have capital in excess of £500million and have an unquestioned ability to meet withdrawals. The College's deposits would not exceed £1m at any time for the foreseeable future and therefore would be small in relation to the capital base of the institution. Funds would be placed with only a very small number of these institutions at any one time.

In addition BHASVIC has the following holdings from pre-incorporation: a holding of 3 ½ % war loan (less than £300 nominal) and charity unit trusts (£35,000 approximate market value). It is the college's policy neither to increase these holdings nor to liquidate them.

In view of the risk averse nature of the college and the investment policy it is not the college's policy to seek investment advice (as defined under the financial services act) and it will only seek advice from institutions as regards the yields and interest rates that are on offer for cash investments.

Investments with these institutions are authorised investments under the Trustee Investment Act 1961.

Approved by the corporation 11 July 2000