



Reserves Policy

A formal policy on Reserves to be held by the Charity was agreed at the Board meeting on 30 April 2012.

It states:

- the Directors/Trustees have set a Reserves Policy which requires Reserves be maintained at a level which ensures that core activity could continue during a period of unforeseen difficulty.
- a proportion of the Reserves be maintained in a readily realisable form.

The calculation of the required level of Reserves is an integral part of the Charity's planning, budget and forecast cycle and should be reviewed annually as part of the budget process.

It takes into account:

- risks associated with each stream of income and expenditure being different from that budgeted.
- planned current activity levels.
- the Charity's commitments, future activity levels and likely requirements in the event of difficulty arising.

The current Reserve level deemed appropriate is £50,000, (not including the freehold Reserve – which has a number of restrictions on it), that sum, being held on immediate call deposit.

(This figure comprising approximately four month's expenses c. £20,000, plus c. £30,000 towards possible redundancy costs).

Approved: April 2012	Revised: May 2016
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