



NORTON & CUCKNEY

VILLAGE HALL

REGISTERED CHARITY NO. 1041895

RESERVES POLICY

Norton and Cuckney Village Hall

Charity Number: 1041895

1. Purpose of This Policy

This reserves policy explains why our charity holds reserves, how much we aim to hold, and how we will monitor and report on them. It ensures compliance with Charity Commission guidance CC19.

2. Definition of Reserves

For the purpose of this policy, “reserves” are the part of unrestricted funds freely available for use in furtherance of our charitable objectives, excluding:

- Restricted funds
- Endowment funds
- Designated funds earmarked for specific purposes
- Tangible fixed assets used for charitable activities

3. Why we hold Reserves

We hold reserves to:

- Protect continuity of services if income falls unexpectedly
- Cover short-term cash flow gaps
- Meet contingency liabilities (e.g. redundancy, lease commitments, winding-up costs)
- Provide funds for unexpected maintenance or repairs
- Enable planned investment in service development

4. Target Level of Reserves

Our target level of free reserves is:

- **£10000**

This level has been determined by considering:

- Risks of income loss or cost increases
- Likely time required to secure alternative funding
- Costs associated with winding down services in an orderly way

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5. Building and Using Reserves

If reserves fall below the target level, the trustees will:

- Budget for a planned surplus of **£1000** per year until the target level is restored

If reserves exceed the target level, trustees may:

- Designate funds for specific future projects
- Increase spending on charitable activities

All decisions to build up or draw down reserves will be minuted.

6. Monitoring and Review

The trustees will:

- Review reserves levels at every board meeting
- Formally review this policy annually (next review date: //__)
- Report the reserves position in the Trustees' Annual Report, explaining any significant variance from the target level

7. Approval

This policy was approved by the trustees on //__.

Signed: _____ (Chair of Trustees)

Signed: _____ (Treasurer)