

**Croscombe Village Hall**

**Reserves Policy**

**Approved 22.4.2025.**

## 1. Introduction

The Policy supports the running of Croscombe Village Hall. The Policy is reviewed following any significant change in financial circumstances and as a minimum annually.

A formal policy on reserves was agreed at the 22 April 2025 meeting of the Croscombe Village Hall Committee (Trustees).

## 2. Current Policy

The Trustees have set a reserves policy which requires reserves be maintained at a level which ensures that Croscombe Village Hall's core activities could continue during a period of unforeseen difficulty.

Income reserves are described by the Charity Commission as the resources the charity has or can make available to spend for any or all of the charity's purposes, once it has met its commitment and covered other planned expenditure.

There are two types of reserves

- i) **Unrestricted reserves**, which are held to offset risks, and
- ii) **Restricted reserves**, which are raised or held for specific future purposes.

There may be occasions when an administrative act designates unrestricted funds for a particular project or use.

The Charity Commission's "Charities' Reserves" Policy, CC19 and "Statement of Accounting Practice – Accounting and Reporting by Charities (SORP 2000)", requires a Reserves Policy to be included in the "Trustees Report and Annual Accounts" for each year end.

## 3. Risk Assessment

The following are considered when planning for the level of reserves:

Loss of income due to reduction of hall hire.  
Further increased costs of energy bills.  
Unplanned maintenance & repairs.  
Higher staff costs due to sickness or absence.

**Unrestricted reserves** for cash flow and emergencies:

A reserve equivalent to at least 6 months and up to 2 years of budgeted annual expenditure will be maintained to cover any negative cash flow and emergencies (e.g. boiler/heating breakdown or damage to flooring/equipment). If accessed, efforts should be immediately put in place to restore the balance to the minimum amount.

Planned ongoing and annual maintenance expenditure will be included in the Annual Budget and detailed in the Maintenance Schedule. This ensures the facility is maintained in good condition for the benefit of all hall users and to meet the conditions of the Insurance Policy and Premises Licence.

## **Restricted Reserves** for assets & restricted projects:

Grants are funds received for a sole specific purpose will be evidenced in a restricted reserve "pot" within the accounting structure & used solely for the purpose designated. Restrictive Reserves are not classed as reserves, & are not included in this Reserve Policy as stated in the Charity Commission Guidance.

We do not currently have any Restricted Reserves.

## **Designated Funds:**

Designated funds are unrestricted funds that the Trustees have set aside for a specific purpose, such as a future projects or expense. They are part of the charities general unrestricted funds, but are not considered as part of our reserves. The designation may be cancelled by the Trustees if they later decide that the charity should not proceed or continue with the use or project for which the funds were designated.

## **4. Future Activity Level**

Croscombe Village Hall is consistently booked to a high level.

The committee are engaged in raising funds for the two following projects

- a. Replacing single glazed wooden windows and doors with the aim of reducing heating costs and improving the efficiency and appearance of the building.
- b. Major improvements to the car park to improve the car park surface and increase accessibility, safety and comfort for hall users.

The committee are applying for grants and have set aside designated reserves for these projects.

## **5. Organisational Commitments**

Resources are vital to support the hall's ability to operate and to the long-term viability of the hall and to its ability to achieve its aims and objectives. They are also vital to enable the hall to meet its legal and contractual liabilities should the organisation have to close.

The Trustees understand the principles behind the Reserves Policy, setting out appropriate levels of reserves based upon risk assessment, which is based on factors which impact upon the hall.

Designated Reserves will continue to be built as a contingency to safeguard the on-going development, improvement and management of the hall.

The Treasurer and Trustees are responsible for keeping the policy up to date and it shall be reviewed annually or upon significant change in financial circumstances. The value of funds held in the Unrestricted Reserves and the Asset Replacement Fund shall be reviewed at least once a year following the preparation of the audited accounts.

## 6. Current Reserve Level

### Unrestricted Reserve 2024-2025 =£15,000

This includes 6 months running costs as per the Reserve Policy

Employer Liability £2,000

Running Costs for 6 months £7,000

Additional Unrestricted Reserves £6,000

**Total £15,000**

### Current Designated Funds 2024-2025

The Trustees intention is to spend this fund by the end of 2026

Replacement Windows £3,000

Repairs to the Car Park £3,000

**Total £6,000**

**Totals £21,000**

**This is a working document which is to be reviewed as the financial situation changes and as a minimum at the AGM.**