

Fen Drayton Village Hall Reserves Policy

A formal policy on reserves was agreed at the meeting of the Fen Drayton Village Hall Management Committee.

It states:

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

A proportion of reserves be maintained in a readily realisable form.

The calculation of the required level of reserves is an integral part of the organisation's planning, budget and forecast cycle.

It takes into account:

- Risks associated with each stream of income and expenditure being different from that budgeted
- Planned activity level
- Organisation's commitments

1. Introduction

Fen Drayton Village Hall needs reserves to

- Meet contractual liabilities should the organisation have to close. This includes redundancy pay, amounts due to creditors and commitments under the lease.
- To meet unexpected costs such as emergency repairs and legal costs defending the charities interest.
- Ensure that the charity can continue and provide a community facility as set out in the charity's aims and objectives.
- From time to time funding has certain restrictions which means that, by law, it must be held in a restricted reserve until it is spent in line with the funding agreement.

2. Income

- Fen Drayton Village Hall's income is from hiring the hall and fundraising
- Fen Drayton Village Hall plans its fundraising having a yearly view of the cash flow.

3. Analysis of regular income

Hirer	Amount £	Per	Risk of losing hire
Tang Soo Doo	60	Month	medium
Parish Council	214	Year	low
Youth Club	350	Year	medium
Toddler Group	851	Year	medium
Ballroom Dancing	1994	Year	low
Pre-school	2850	Year	medium
Bowls Club	3727	Year	low

4. Target Level of reserves

Fen Drayton Village Hall aims to have reserves of 100% of current expenditure, this would be £18000 at present

5. Current reserves level

The reserves of the Fen Drayton Village Hall in the current year are £12500

6. Establishing and maintaining a prudent level of reserves

In the event of the reserves dipping below the target we will aim to restore the reserves to 100% of expenditure over the next 5 years. This could be achieved by increasing fundraising, increasing earned income or reducing expenditure.

7. Monitoring and reviewing of reserves policy.

The Trustees will consider current costs and examine the level of reserves each year when setting the following year's budget.

This reserves policy will be reviewed at the next AGM

Date approved: 18-6-18

Next review date: AGM 2019

Signed: Jacqueline Isden
Chair