

WELTON VILLAGE MEMORIAL HALL

RESERVES POLICY

1. **OBJECTIVE.** The Trustees plan and endeavour to ensure that it has sufficient reserves to reasonably ensure the financial sustainability of the Hall, which are a key element of meeting the charity's objectives.
2. **RISK.** The Hall Trustees recognise that, without holding sufficient reserves to completely rebuild the Hall, it would probably not be feasible or appropriately meet its objectives to provide a facility for local inhabitants. Therefore it will take a pragmatic view as to the reserves needed to meet likely demands necessary to maintain the Hall as a useful facility.
3. **LIQUIDITY REQUIREMENTS.** The Hall Trustees require Reserves are maintained that will firstly provide sufficient funds to meet the Hall's day to day needs over one year [ie working capital]. In addition, since the Hall could lose regular income for a variety of reasons such as the failure of an important tenant or due to external restrictions such as a pandemic, the reserves should equate to at least the regular ongoing costs of the Hall for one year ie sufficient funding would be held to allow the Hall to operate without any regular income, assuming no major repairs were needed. [This is estimated at £10,000 in 2020]
4. **MAJOR REPAIRS.** The Hall Trustees recognise that a building of the age and historical importance of the Hall will require major repairs periodically for which it may not be possible to predict or plan for and may be quite substantial. Therefore they have determined that they should hold an amount in additional reserves equal to two years of major repairs. [This is estimated at £20,000 in total in 2020]
5. **FLEXIBILITY.** The Hall Trustees recognise that some flexibility in this policy is desirable. The minimum Reserves may be reduced in part if the Trustees are already investing in improved Hall facilities. They may be increased to reflect active plans to increase investment in Hall facilities and when there have been fewer major repairs, as future demands are likely to be higher than normal.
6. **MANAGEMENT REPORTING & MONITORING.** The Treasurer will report on annually on the level of the reserves, usually at the AGM.
7. **APPROVAL AND REVIEW.** This Policy may be reviewed at the request of any Trustee at any time and should be specifically reviewed following the substantial completion of any major Hall development and, in any case, before 1 December 2022.

This policy adopted on 3 November 2020