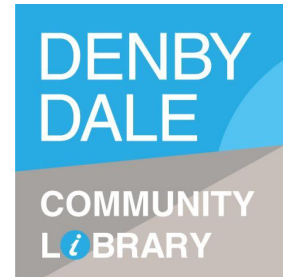


RESERVES POLICY

The Charity exists to provide and manage a Community Building, together with fund-raising and seeking grants, and recruiting and managing volunteers to assist the Local Authority to run Denby Dale Library, now housed in our Building.



As in any responsible organisation, we need to have an appropriate level of Reserves. The Reserves are funds to be retained from income, above and beyond any anticipated annual budget requirements, to cater for unpredictable circumstances that can draw heavily and/or unexpectedly upon the Charity's funds.

The level of Reserves should be adequate to cover different circumstances that can be envisaged, to replace loss of income or cover additional expenditure. It should not be excessive, effectively taking money away from charitable activities.

Our General Reserves are intended to cater for major risks & sudden variations in routine activity that would add significantly to costs of administration and activity such as:

- Loss of rental income from our tenant (operating a cafe & small gift shop) which is the major source of income for the Charity. The Reserves should cover at least two, ideally three, years replacement of this income. This length of time is appropriate as it would probably take considerable time to find a suitable replacement tenant, in line with restrictions in the Asset Transfer Agreement; or to develop an alternative business model.
- Building repairs – we have ownership and responsibility for the community building (which houses the library run by Kirklees, and a tenanted area comprising a café and shop run by The Kirkwood Hospice Trust) and though normal repairs are covered within the annual budget, there are likely to be, from time to time, emergencies that result in immediate, costly or complex attention. This excludes planned replacement of building components discussed below.
- Closure of operations through pandemic or local circumstances.

We therefore expect to hold between £16,000 minimum and £24,000 maximum as our Reserves in a deposit account.

We will hold additional sums in the deposit account to build up a fund for future major maintenance costs including replacement of building components (eg bathroom fittings, kitchen, doors and windows, solar panels, heating systems and lighting).

The balance in the deposit account at the end of July was £42,329.

This Policy will be reviewed by the Trustees annually, to assess whether it is still appropriate to the risks needing to be addressed.