



## Reserves Policy

### The Beneficiaries

The beneficiaries of King Henry's Walk Garden (The Garden) are its members, the local community and the general public who take part in the activities there. A reserve equivalent to 12 month's expenditure would allow The Garden the opportunity if necessary to identify ways in which additional funds might be raised. In addition a reserve equivalent to half the capital works and major repairs over 2 years would help to meet any unforeseen needs.

### The Rationale

The Garden runs an annual programme of workshops and events as well as maintenance of the site. Its policy is to maintain reserves at a level sufficient to enable normal activities to continue for a period of up to 12 months should a shortfall in income occur and also to take account of contingencies that may arise.

Excluded from the reserves policy is income related to donor restricted funds.

### The Level

The Trustees have considered the risks in respect of expenditure, unrestricted and restricted income. Also taken into consideration are any major external risks to income and expenditure that might materialise during the period under review.

A risk assessment has been undertaken for the year 2019 together with an examination of past trends.

	<b>Current Year</b>	<b>Previous Year</b>	<b>Increase / (decrease)</b>	<b>%</b>
Unrestricted Funds Reserves	12,270	30,780	(18,510)	-60.1
Restricted Funds				
Designated Funds				
- building/site fund	20,000	10,000	(10,000)	100
- development fund	5,000			
<b>Total Funds</b>	<b>37,270</b>	<b>40,780</b>	<b>(3,509)</b>	<b>-8.6</b>

The review of the current position indicates the following

- Unrestricted income – low risk to the general activities although fund raising events are weather dependent
- Restricted income – low risk of not delivering any grant funded projects
- Expenditure – medium risk of unforeseen costs relating primarily to the site and buildings

The Garden should hold in reserve up to 10 months' general operating costs (equating to £10,000) for the year. Additional reserves at the level of general maintenance costs for 2 years (equating to £5,000) should be retained to cover unforeseen needs in that period.

Current reserves equal £12,270 which represents a deficit of £2,730.

Designated funds will be used as follows

- I. Accessibility improvements £5,000 Spring/Summer 2019
- II. Replacement of pond bridge, railings and decking £20,000 Summer 2019

Additional funds will be needed to meet costs which are not part of routine maintenance work

### Review

The reserves will be monitored during the year at the monthly management committee and biannual trustee board meetings. In addition the policy will be reviewed annually as part of the financial accounting and budgeting processes. The Treasurer will present the Trustees with a draft document and supporting material that enables them to make an informed decision about the level of reserves.