

## WALBERSWICK COMMON LANDS CHARITY

### RESERVES POLICY

WCLC's Reserves Policy is based upon the guidance issued by the Charity Commission in their document *CC19 Charities' Reserves* and is informed by:

- forecasts for the levels of income in future years, taking into account the reliability of each source of income and the prospects for opening up new sources.
- forecasts for expenditure in future years on the basis of planned activity.
- analysis of any future needs, opportunities, contingencies or risks, the effects of which are not likely to be met out of income if and when they arise.
- the assessment, on the best evidence reasonably available, of the likelihood of each of those needs etc arising and the potential consequences for the charity of not being able to meet them.

The Charity endeavours to maintain sufficient Reserves to meet four categories of expenditure:

- Maintenance of Charity Income.
- Maintenance of Charity Assets.
- Provision of 'relief in need' and the 'benefit of inhabitants' of Walberswick.
- Provision for exceptional demands.

#### **Maintenance of Charity income**

WCLC relies for its income on land and property in and around the village, the largest contributors being the commercial properties on the Green and the car parks. The Charity endeavours to maintain sufficient Reserves to ensure that it can meet the maintenance and capital costs necessary to protect this income: for example, the car parks are vulnerable to flooding and erosion and could, therefore, yield substantially reduced income at any time. Legal and agents' fees could arise unexpectedly.

#### **Maintenance of Charity assets**

The Charity endeavours to maintain sufficient Reserves to meet the cost of special repairs and improvements to non-income producing assets, such as the Common.

#### **Provision for 'relief in need' and the 'benefit of inhabitants' of Walberswick**

Under normal circumstances, the Charity is able to meet its obligation to provide relief in need from its annual income. However, it endeavours to maintain sufficient Reserves, should income fall to the point where the Charity cannot meet its commitments to those who regularly receive individual and group allowances as well as one-off appeals for help.

### **Provision for exceptional demands**

The Charity also needs to ensure that it will be able to respond quickly to exceptional demands, where there is a direct benefit to the inhabitants and the village.

At the beginning of each financial year the Trustees determine an appropriate level of Reserves taking account of all the factors above.

At a Trustees' meeting held on 27 April 2023, it was agreed that the amount of unrestricted funds held in the Charity's accounts should not fall below £100,000.

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