



RESERVE POLICY STATEMENT

The Trustees recognise a legal duty to:

- Act in the interest of their charity and its beneficiaries.
- Protect and safeguard the assets of the charity.
- Act with reasonable care and skill.
- Ensure their charity is accountable.

The Trustees recognise that the primary objectives of the policy should be to:

- Reflect the risk of and provide for unplanned closures associated with MAYFACS community services profile, spending commitments, potential liabilities, and financial forecasts.
- Assist in addressing the financial risk of unplanned closure on their beneficiaries, staff, and volunteers.

The Trustees are aware of and support the need for Mayfield and Five Ashes Community Services (“the Charity”) a registered charity, to develop and put in place a Reserve Policy (“the Policy”) for the benefit of the:

- Beneficiaries and donors
- Charity Commission
- Trustees
- Employees

The Trustees recognise that reserves are defined as those funds which have been “set aside” to ensure that, based on a risk assessment that all or certain elements of the income stream might be interrupted or stopped, MAYFACS has sufficient time to assess its ability to replace the income stream and/or manage an orderly closure of all or some of its services. They forecast the level of free reserves that the charity will require to sustain its operations in normal trading conditions to be the equivalent of 3 months operational expenditure, such sum for the year to 31 March 2026 being budgeted as £22,500.

This sum represents the funds needed, should revenues from funders and other revenue-generating initiatives cease to be forthcoming, to meet

- a. The orderly winding down of existing activities over a 3 month period
- b. Statutory obligations to employees – redundancy payments
- c. Term lease obligation [such as but not restricted to property lease, Shed licence fees, operating leases such as copiers, other term operational commitments]

Surplus funds in excess of costs identified above should be used to

- a. Ongoing exploration of further sources of funding and organisational changes to allow for the continuation of the charity’s objectives at a lower level of funding (as determined as available)
- b. The orderly winding down of activities and dissolution of the Charity



Mayfield & Five Ashes Community Services

Registered Charity No. 1166647

www.mayfacs.org.uk



Reserve Calculation as at 31 March 2025			
		£	£
Total Net Assets	31/03/2025		131,124
Deduct: Restricted Funds	31/03/2025		(57,154)
Designated Funds	31/03/2025		0
			<u>73,970</u>
3 months reserve			
Redundancy costs		6,500	
Property leases		0	
London House		1,000	
Shed		0	
Operating leases		0	
Photocopier		1,000	
Telecomms		0	
IT support and accounting		1,000	
			<u>9,500</u>
3 months budgeted expenditure to 31 March 2026			
Total expenditure for Year		96,000	
Further reserve provision to provide for 3 months budgeted expenditure			<u>24,000</u>
Total Reserves for Policy			<u>33,500</u>
Net Free Reserves at 31 March 2025			40,470

POLICY No.

11b

DATE POLICY REVIEWED/REVISED: 1st June 2026 DATE FOR NEXT REVIEW: June 2029

TRUSTEE SIGNATURE: Signed on hard copy

TRUSTEE NAME (Print): C.Kerr (Chair)