



INTERIM RESERVE POLICY STATEMENT

The Trustees are aware of and support the need for Mayfield and Five Ashes Community Services (“MAYFACS”) 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.

While it is recognised that the establishing of a reserve per se is not a legal requirement it is understood that there is a clear indication and expectation that a reserve policy be put in place irrespective of whether a decision is taken to create a reserve.

However, having considered the matter the Trustees are of the view that before they are able to justify and clearly explain why or why not MAYFACS should establish a reserve and therefore develop a reserve policy, a risk assessment and analysis needs to be carried out of the:

- On-going expense base.
- Level and vulnerabilities of the future (up to 3 years) income stream.
- Impact of expiry of the National Lottery funding in 2025.

Based on the foregoing the Trustees have resolved to delay establishing the Policy until the end of the current financial year (i.e., March 2024) at which time the Finance Sub-Committee is charged with developing and submitting the Policy to the Trustees for consideration. The Trustees have asked that, when developing the Policy, the Finance Sub-Committee should:

Be cognisant of the Trustees 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.

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.



Mayfield & Five Ashes Community Services

Registered Charity No. 1166647

www.mayfacs.org.uk



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.
- Restricted Funds cannot form part of any reserve established.

POLICY No.
11

DATE POLICY REVIEWED/REVISED: February 2024

DATE FOR NEXT REVIEW: February 2027

TRUSTEE SIGNATURE: Signed on hard copy

TRUSTEE NAME (Print): L.Firrell (Chair)