Halesworth Area Sustainability Hub

Reserves Policy

Purpose

The company holds reserves to help it continue delivering its community benefit if income falls, costs rise unexpectedly or other unforeseen expenses arise. Reserves are not held to accumulate funds without a defined purpose.

Reserves

Reserves are unrestricted funds available to meet the company's needs. They exclude grants and funds already committed to spending.

Target Level

The directors aim to maintain unrestricted, readily available reserves of £2,000, equivalent to approximately 6 months of essential operating costs. This target is based on the company's income reliability, and fixed commitments.

When Reserves May Be Used

The directors may authorise use of reserves to manage a significant unexpected shortfall or expense, meet unavoidable liabilities, or support an agreed recovery or closure plan. Any use should be recorded.

Monitoring and Review

The Directors will be responsible for an annual review of this policy and the Treasurer will be responsible for notifying any shortfall in the Reserves to the Directors immediately.

September 2026