

Exminster Victory Hall Trust

Reserves Policy

Statement of Intent

The Exminster Victory Hall Trust (EVHT) is committed to ensuring that it manages its finances in a responsible and prudent way for benefit of all beneficiaries, present and future.

Reasons for a Reserve Policy

It is deemed to be good practice for charities to regularly assess how much they should keep in reserve and on what terms. Reasons for holding reserves include:

- To fund shortfalls in income, when income does not reach expected levels
- To fund unexpected expenditure, for example when projects over-run or unplanned events occur;
- To fund working capital;

Policy

EVHT has a stable and well diversified source of funding from multiple, independent users. The trustees therefore consider reserves of between 3 and 6 months of operating expenditure to be sufficient to protect EVHT from unexpected fluctuations in income. These short-term reserves must be held in an instant access deposit facility of a UK banking institution covered by the Financial Services Compensation Scheme.

EVHT is not responsible for maintaining the exterior fabric of the building but is responsible for maintaining the interior. This requires an ongoing programme of work to maintain and improve the facilities for the benefit of users. Such works can usually be funded from the short term reserves.

Since EVHT does not own the VH building, it is unlikely that significant capital projects will be undertaken which may require long term reserves to be retained. In the event that a suitable project is identified, a designated fund will be created to clearly identify the additional reserves.

Further advice about reserve policies can be found on the Charity Commission's website at: www.charitycommission.gov.uk/publications/cc19.aspx

Policy adopted by the Trustees at their meeting on 18th September 2025

Last reviewed: September 2025

Next review date: September 2027