



## Background.

The Charity Commission expects all Charities in England and Wales to decide, publish, implement and monitor their charity's reserves policy so that they can comply with their legal duties. In practice, this means we should hold sufficient financial resources to ensure the continued normal operation of our charity, should there be events, both within and outside our direct control, which could cause a significant disruption to them.

## Reserves Policy

1) The Trustees have reviewed the cash requirements of the Society during a typical year and considered the possibility of funds being reduced either because of reduced membership, or as a result of non attendance at concerts reducing income or because of unforeseen increased expenditure including the following:

- Unexpected repair and maintenance costs

A figure of £3,500 has been identified as the minimum amount which should be held as the Reserves at the end of the financial year to protect the society in the event of such occurrences, based on the average costs of putting on a concert to include the costs of:

- orchestra and soloists
- venue hire costs
- musical director and accompanist fees

2) Reserves are that part of the Charity's funds that are freely available to spend on any of its purposes. They exclude any amounts designated for essential future spending. The Trustees should identify on a regular basis, and, specifically at year end, those resources which qualify as reserves.

3) It is important that the Trustees recognise that the cash balance will fluctuate during the singing year. Trustees will keep a close oversight of the cash position and the reserves at each Committee meeting. It is the duty of the Trustees to review fluctuations in income or expenditure in putting on a concert and identify any factors which could place the Reserves figure at risk of being below the £3,500 minimum.

4) At any time during the singing year, should the trustees identify any threats which may impact on the reserves level the Trustees must consider what options available to rectify the situation at the earliest opportunity.

5) Annually, at year end, the Trustees should review any significant changes in the Society's activities that indicate a change in the recommended level of minimum Reserves of £3,500 is required and take action if considered necessary.

6) Trustees will review the Reserves Policy annually at a Committee meeting in the Spring Term.

**Approved by Wellington Choral Society Committee 12 February 2020**