



Red Lion House Charity

Charity Number; 1176422

Reserves Policy

The Red Lion House Charity recognises three types of reserves as outlined below, which will be detailed in the accounting statements:

Restricted Reserves

Restricted Reserves are held in accordance with any restrictions required by the original funder or donor.

This category of reserves will include grant aid, donations or bequests, and funds raised for specified expenditure. Our current level of restricted reserves are detailed in the accounting statements, with a breakdown of the restrictions which apply.

Designated Reserves

Designated Reserves are set aside for a specified future use and are based on two main components

1. Making provision for fluctuations in predicted future income or for significant costs associated with maintaining the Red Lion House building. This reserve is for 3 months running costs, calculated on the average monthly expenditure.
2. The planned future development of this building or any other reasonable specified use.

Our current level of designated reserves are detailed in the accounting statements, with a breakdown of the designations which have been agreed.

General Reserves

General reserves include all other funds that are neither restricted nor designated. However, this does not mean that such reserves are completely free and instantly available. For example, general reserves may include fixed assets held for charity use, which could in theory be sold for cash; and reserves that are held as investments with specified clauses affecting when they can be accessed. Our current level of general reserves are detailed in the accounting statements.

Operation of this policy

The Treasurer will include a brief statement of the current state of these reserves to each meeting of the Trustees, together with any recommendations about the transfer of available monies into any of the reserve categories.

Details of the reserves will be included into the appropriate report submitted to the charity's AGM.

This policy needs to be read in conjunction with the:

Financial Policy

Agreed by the Red Lion House Charity

Date September 2022

Review Date May 2024

Signed*CDean*.....