

HUMSHAUGH VILLAGE HALL

RESERVES POLICY – JUNE 2025

The Charity

Humshaugh Village Hall is registered with the Charity Commission and complies with its requirements in terms of an annual independent inspection of the organisation's accounts and submission of the accounts as part of the Annual Return to the Charity Commission.

Income

The hall receives income from lettings in the form of room hire charges for many different and varied activities. Usage varies significantly between groups some of which are only occasional users and a few of which account for a major part of the lettings income.

Expenditure

The Management Committee is responsible for all aspects of the day to day running of the hall, which includes utilities, cleaning, insurance, security, fire safety etc as well as general wear and tear. All running costs are paid from income.

Required Reserves

Because of the reliance on a small group of hirers continuing to use the hall, and the threat to income should any of them move away, the Committee continues to hold 6 month's running costs in reserve. In the event of loss of income by this means this would allow the Committee time to take steps to find other hirers. Based on current levels of expenditure (excluding exceptional one off maintenance items) £9000 is held in reserve.

Further to this, as a major hirer relies on certain kitchen equipment provided by the hall, the committee continues to believe that, in the event of failure of this equipment, in order to preserve income, it would need immediate replacement and therefore a further £3000 is allocated to the Reserves for this purpose. The committee recognises that this amount is higher than would normally be held as Reserves but believes that the loss of revenue that the equipment failure would incur would be a threat to the financial position of the hall.

The reserves that we have set aside provide financial stability and the means for the development and improvement of our principal activity. We intend to maintain our reserves at a level which is at least equivalent to six months operating expenses.

The Board will continue to review the amount of reserves that are required to ensure that they are adequate to fulfil our continuing obligations on an annual basis.

Policy adopted on: 25th June 2025

Signed (on behalf of the committee) _____