



Lyvennet Community Trust

Reserves Policy

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This Reserves Policy should be read in conjunction with the Articles of the Lyvennet Community Trust, hereinafter referred to as the Charity.

Directors and Trustees of Lyvennet Community Trust Ltd (LCT) are one and the same: they are 'directors' by virtue of the organisation being a company and 'trustees' as a result of the company's charitable objects. For the purposes of this document the term 'trustee' will be used.

Objects of the Charity

The Articles of Association adopted by the Trustees on 26th September 2010 includes under Section 4 "The Objects" as follows:

The objects of the Charity shall be to carry on on a not for profit basis for the benefit of the community primarily in the area of the Lyvennet Valley incorporating the parishes of Crosby Ravensworth and King's Meaburn (the "area of benefit"):

- ***the provision of Social Housing and associated amenities for those in need by reason of financial hardship; and***
- ***such other charitable purposes as may be from time to time determined subject to the prior written consent of the Charity Commission.***

Stated Reserves Policy

The trustees will hold financial reserves in line with the guidance issued by the Charity Commission to safeguard the Charity's project(s) in the event of delays in receipt of grants, other funding or income generation.

Pre-development and development phase

The Charity is entirely dependent for income upon grant monies, donor funding or loans. The trustees therefore intend that:

- A detailed business plan and financial model for any project will be developed and approved by the LCT Board. These documents to cover pre-development, development and post development phases.
- The charity's income and expenditure will be monitored against the agreed financial model by the Chair/Treasurer. Any variation in excess of 10% or £1000, whichever is the lesser, to be reported to the LCT Board.
- In addition the Treasurer to report to each LCT Board on the future months budget detailing projected income and liabilities.
- Day to day financial management will be carried out in line with the LCT Financial Controls Policy

Post development

The Trustees will ensure continuity in meeting the needs of beneficiaries and the Charity's financial obligations through;

- The Business Plan and financial model for any project will incorporate a revenue model.
- A quarterly revenue update report incorporating a 12 month rolling budget will be provided to the LCT Board and Charity Bank by the Chair / Treasurer
- The charity's revenue income and expenditure will be monitored against the agreed financial model by the Chair/Treasurer. Any variation in excess of 10% or £1000, whichever is the lesser, to be reported to the LCT Board.

The trustees will review this policy annually and will keep the level of reserves under review to ensure they are at the appropriate level.