



*Leasowe Play Youth & Community Association
Registered Charity Number 702959*

Financial RESERVES POLICY

Aside from retaining a prudent amount in reserves, most of the charity funds are spent during the course of the financial year, leaving few funds for long term investment. The trustees have examined the charities requirements for reserves in light of the main risks to the Organisation and has established a policy whereby unrestricted funds are maintained in a reserve account.

The reserve account is being grown so in the event of a significant shift in income or closure of the Community Centre on the basis that Wirral Borough Council review the spending budget each year for voluntary organisations such as LPYCA, it should be noted that WBC also own the building whilst LPYCA manage the building on their behalf.

By holding reserves, the Management Committee (charity) would be able to meet its obligations.

Reserves will always be held at a level to support a worst-case scenario. Our financial strategy, agreed by the Joint Management Committee, seeks to maintain unrestricted funds, not committed or invested in tangible fixed assets held by the association, to the level of 6 months running costs (referred to as designated funds). This would amount to around **£30,000**