



Newbury Soup Kitchen Reserves Policy

The Trustees reviewed the level of financial reserves at a meeting on 29 September 2023 and updated as follows the Policy, considering the following main factors:

1. The ability to continue to provide services to our clients in the event that fund income streams ceased suddenly or were materially reduced
2. The ability to continue to provide such services in a situation where supermarket and other food donations ceased or were reduced
3. To have provision to cover the set-up, forward rent and other costs of our intended building, which would improve substantially our service to clients by improving our operational efficiency and allowing us to collaborate further with other agencies and charities.

The preliminary financial result for 2022-23 has been presented and the budget for 2023-24 confirmed, with the main cost items being salaries/related taxes and the vehicles used for food provision. We also have the consideration that our Outreach Worker/Operations Manager Hannah is on maternity leave and we may choose or need to adapt the staffing situation for a period when/if she returns. In addition to the broader issues raised above this creates a short-term consideration for reserves, as we may be required to carry for a short period more staff numbers in order to comply with the relevant legislation/contract terms etc.

The general principles behind our reserves policy are therefore:

1. Have sufficient reserves to cover 6 months of operations, in the event of fund-raising or free food donations being materially affected by unforeseen events:
 - a. Ensure we can wind-down the charity in an orderly manner if such a situation arose.
 - b. Cover our limited ongoing commitments (lease, salaries per contract)
 - c. Seek another way to provide our clients with services on a more limited basis
2. In order to expand and develop the services we offer, we intend to find a suitable building which could be shared with other agencies if appropriate, where we can provide services to clients in a more efficient way, with the consequent benefits to our clients, volunteers, staff members. (See below for guidance from the Charity Commission on this subject).

In financial terms, under #1 we would provide for 50% of the 2023-24 budget, excluding event costs, which would be £85,000. Under #2 we would expect to have to spend £10,000 on making a building suitable for our work and then have an estimated £30,000 to cover rent and the increase in other costs, such as utilities. The total here would be £40,000.

This means that our reserves policy provides for having £125,000 of liquid funds which have not been restricted either by the donor or by other factors.

Charity Commission Guidance on reserves for future projects.

- designated funds set aside to meet essential future spending, such as funding a project that could not be met from future income

In drawing up this policy we have worked within the guidance of the Charity Commission as below:

<https://www.gov.uk/government/publications/charities-and-reserves-cc19/charities-and-reserves>