North Carlisle Christian Ministry
Reserves policy

1. General policy

1.1 The trustees of North Carlisle Christian Ministry recognise the importance of a reserves policy to help demonstrate good stewardship and financial management and to manage its reputation.

1.2 Our policy is to retain sufficient reserves:

- To ensure that the charity has sufficient funds to meet its financial commitments;
- To demonstrate that the charity is sustainable into the future;
- To ensure that the charity is able to manage future unforeseen financial difficulties;
- To ensure that excessive funds are not held without any identifiable reason or for any identifiable purpose.

1.3 This reserves policy relates only to the charity's unrestricted funds. Restricted funds may be held in addition to be used for the restricted purpose for which they were given.

1.4 The overall responsibility for this policy and its implementation rests with the trustees of North Carlisle Christian Ministry.

1.5 In constructing this policy, the trustees have paid due consideration to the Charity Commission guidance on charities and reserves.

2. Calculating reserves

2.1 Financial reserves are considered in two parts:

- General reserves that are deemed necessary to meet future operational requirements and to protect the charity against future financial uncertainties including loss of income and unexpected increases in operating costs;
- Reserves set aside to meet future financial commitments for a specific significant project or venture or planned future commitment.

2.2 General reserves are calculated after assessing the financial risks faced by the charity and determining:

- The size of any contingency fund required to meet unforeseen operational costs;
- Any uncertainty that might exist over the continuation of future income flows including donations and other grants;
- An amount that might be required to cover expected deficits in the cash budget;
- An amount that might be needed to meet an unforeseen emergency.

2.3 Specific reserves are calculated with reference to a planned spending commitment or to fund a specific project or other venture. Generally specific reserves will be treated as designated funds.

2.4 Reserves will be reassessed regularly and specifically in the following circumstances:

- A significant change in the core operations of the charity;
- Information coming to light that casts doubt on the charity's future income flows;
- A significant change to the wider environment in which the charity operates, including the overriding economic climate;

• Annually, in the event that no other re-assessment has taken place.

3. Using reserves

3.1 In the event that the charity has excess reserves, the trustees will consider how these funds might be effectively used in the future. Investing reserves will always be done in accordance with its investment policy.

4. Reporting the reserves policy

4.1 The trustees will include an explanation of the reserves policy in their annual report setting out:

- A brief statement of the general policy;
- The level of reserves held and a brief explanation of why they are held;
- Where material funds have been designated, the amount and the purpose of the designation;
- Where designated funds relate to future expenditure, the likely timing of that expenditure.

4.2 If the trustees conclude that no reserves are required, this will be explained in their annual report.

5. Adoption of this policy

5.1 The trustees of North Carlisle Christian Ministry formally accepted this policy at the trustees 'meeting held on 27th April 2026.

It will be reviewed every year.