

# **Bedfordshire and Northamptonshire MS Therapy Centre Ltd**

## **Reserves Policy**

### **1. Purpose**

The purpose of this document is to set out the MS Therapy Centre's policy with regard to reserves, as agreed by its trustees. This policy considers what sums are needed for expenditure to:

- meet the Therapy Centre's development plans for members' services
- meet the Therapy Centre's asset purchase plans to maintain and replace equipment for members' use
- meet any short-term fall in income
- effect the orderly winding-up of the Therapy Centre in an emergency situation, and to fulfil all obligations arising during this (see 3. below)

### **2. Requirement**

Charity Commission Guidance CC19 defines the need for reserves: "How to set a reserves policy for your charity" – [www.gov.uk/guidance/charity-financial-reserves](http://www.gov.uk/guidance/charity-financial-reserves)

The guidance advises that there is no fixed level at which a charity should fix its reserves.

### **3. Closure**

It is assumed that once the decision to close the charity has been made the Therapy Centre would accept no further income from members and would not seek any additional grants. After settling all outstanding commitments, the Therapy Centre would look to sell or transfer its assets such as gym equipment. This process may last for six to twelve months.

In these circumstances the reserves would have to cover:

- running costs to effect a managed closure
- settling any capital commitments e.g. purchase of fixed assets
- contract commitments
- staff costs including redundancy

This list is not exhaustive.

### **4. Annual Review**

Expenditure levels of the previous year and the following year's budget will be reviewed to help assess the level of reserves needed.