



Sidmouth Cricket, Tennis and Croquet Club

Reserves Policy

1. Purpose

The Reserves Policy sets out the need for, and management of financial reserves at Sidmouth Cricket, Tennis & Croquet Club (SCTCC).

2. Scope

The Reserves Policy explains to existing and potential funders, donors, beneficiaries and other stakeholders why SCTCC holds a particular level of financial reserves. It gives confidence to stakeholders that SCTCC finances are being properly managed. It will also provide an indicator of future funding needs and the financial resilience of SCTCC.

3. Oversight

The Reserves Policy outlines the process Trustees will follow in deciding upon an appropriate level of reserves. Amounts held in reserves will be monitored as part of ongoing budgetary process and financial monitoring.

4. Reserves – Definitions

Restricted Reserves

- a) Values ring-fenced for specific purposes because they are funds donated to the club where specific conditions have been set e.g. a donation specifically for tennis juniors.
- b) Funds that have been allocated for specific future expenditure - such as an annual amount set aside for court resurfacing.

General Reserves

General reserves are then everything else being surplus funds that can be used for unspecified projects or expenditure. For example, this may include specific 'sinking funds' for known maintenance, repair, or replacement, and any (cumulative) surplus income over expenditure.

Items excluded from reserves are:

- tangible fixed assets used to carry out the charity's activities.
- designated funds set aside to meet future spending that could not be met from future income (e.g. funding for a specific project)
- commitments that have not been provided for as a liability in the accounts.

5. SCTCC Policy

Setting a Reserves Policy depends on a complex mix of activities, across income, expenditure, forecast, budgets and the nature of funds received and held.

The process SCTCC will use to identify why reserves might need to be held, and an appropriate level of reserves will take into consideration issues such as:

- Are the funds unrestricted or restricted income?



- Is an endowment an expendable endowment or permanent endowment?
- Future budgets, future projects and spending plans that cannot be met from the income of a single year
- Future uncertainties SCTCC may face, and the need to hold reserves to meet unexpected costs or opportunities.
- Charity Commission guidance.

6. SCTCC Level of Reserves

Reserves may be expressed as a target figure or a target range, and the amount to be agreed will be informed by:

- SCTCC forecasts for levels of income for the current and future years, the reliability of each source of income and the prospects for developing new income sources.
- SCTCC forecasts for expenditure for the current and future years based on known and planned activity.
- Analysis of future needs, potential opportunities, or, or commitments where future income fall short of anticipated costs.

The level of reserves (whether expressed as a specific amount (or amounts), or a range, or as a percentage of annual operating expenditure is to be agreed by the Board of Trustees annually.

7. Monitoring of Reserves

SCTCC will:

- Annually review the Reserves Policy.
- Keep the level of reserves held under review, monitoring throughout the year to establish the reasons for any significant difference with the target level set.
- Consider if reserves during the year are below target or exceed target, and whether this is due to a short-term situation or a longer-term issue

Take any appropriate action.

8. Annual Reporting

SCTCC will include in the Annual Report its' policy on reserves, stating the level of reserves held and why these are held.

If material funds have been designated/restricted, the reserves statement will quantify and explain the purposes of these designations/restrictions and were set aside for future expenditure, the likely timing of the expenditure.

SCTCC will ensure that reporting of the Reserves Policy meets the requirements of the Charities Commission Statement of recommended practice.



9. Investing Reserves

When significant resources are held in reserves from year to year, the Trustees will consider whether a proportion of the reserves can be invested to obtain a financial return. In making any investment decision, the Trustees will consider when the reserves might be needed, the liquidity of any investment, any level of investment risk, and guidance from The Charity Commission.

Version Control - Approval and Review

This policy will be reviewed by the Trustees annually, as part of the SCTCC financial reporting and planning.

Version No	Approved By	Approval Date	Main Changes	Review Period
1.0	Board	31 st March 2026		Annually

Approved by the SCTCC Trustees

Date of Approval: 31st March 2026

Review Date: Annually or as required