

## Reserves Policy

The charity recognises the importance of maintaining financial stability and has a Reserves Policy

General Reserves are the accumulated gains and losses generated since the formation of Newbury U3A, shown as 'Net Assets' on the Balance Sheet.

The Trustees are obliged to maintain a level of General reserves and Newbury u3A has decided to aim to have a minimum of 6 months expenditure in Reserve. In addition to general reserves the Trustees can decide to set aside further amounts for specific purposes, and these would be termed 'specific reserves'.

The reserves are held:

- to give the u3a a firm financial foundation.
- to cover unexpected day to day situations such as significant, unexpected cost increases.
- to purchase or maintain equipment.
- to ensure the continued survival of the charity in the event of a sudden drop in the level of membership.
- to ensure that there are sufficient funds to allow a managed closure of the charity should this become necessary.

The level of General and any Specific Reserves will be reviewed annually in the autumn, when decisions are made about the budget and level of fees for the coming year.

The Reserves policy is available on our website and the annual Report will include information on General and any Specific Reserves to ensure that members are informed on the position.