



## Reserves Policy

Directors and Trustees of Mendlesham Community Land Trust are one and the same: they are 'directors' by virtue of the organisation being a company and 'trustees' as a result of the company's charitable objects. For the purposes of this document the term 'trustee' will be used.

### 1. Objects of Business

- i. The provision of social housing and housing to relieve financial hardship; and
- ii To promote such other charitable purposes as may from time to time be determined subject to the prior written consent of the Charity Commission.

### 2. Stated Reserves Policy

The trustees will hold financial reserves in line with the guidance issued by the Charity Commission to safeguard the Charity's ability to continue to undertake its charitable activities.

The trustees intend that the Charity will hold reserves to the equivalent of at least 6 months of normal operating costs. This level of reserves has been determined in order to:

- a) ensure continuity in meeting the needs of beneficiaries and the Charity's financial obligations;
- b) ensure the Charity can bridge cash flow problems in periods of changeover when beneficiaries leave or move into properties or rental income drops at such times;
- c) maintain and develop its charitable activities.
- d) The trustees will review this policy annually and will keep the level of reserves under review to ensure they are at the appropriate level.

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| Agreed by Board on | March 2022 reviewed August 2025 |
| CEO and Chair      | MJ Exley                        |
| Review date        | Annually                        |