



Reserve Policy

The trustees regularly review reserves, using the Reserves Policy to support both the Financial Strategy and the Strategic Plan. A risk-based approach is used to calculate an optimal amount of reserves that looks at reliability of income, costs for re-organisation of activities, and specific liabilities. Amounts are included for risks we are aware of as well as contingencies to allow MoBE to cope with unexpected costs and opportunities.

We principally hold reserves to:

- protect the continuity of MoBE's work against uncertain future income streams
- provide the capital needed to finance investment in operations
- provide funds to replace assets
- to cover for specific liabilities and identifiable risks
- to allow MoBE to respond to unexpected opportunities that can further mission
- to allow MoBE to meet contractual obligations.

The trustees have set optimal reserves at £5,000, which equates to approximately 3 months unrestricted expenditure. As at 1st of January 2023, the level of Free Reserves organisations (defined as total general unrestricted funds) stands at £16,000 thereby exceeding the optimal reserves figure.

MoBE has currently no designated reserves (January 2023) and no restricted reserves (January 2023). The designated reserves are held to represent reserves that are not available for other activities since they have been used to (enter definition, e.g. to purchase fixed assets and are not available unless the assets are disposed). Restricted reserves relate to income to be used in accordance with specific restrictions imposed by funders and therefore do not form part of general reserves.

The Reserves Policy is reviewed every January as part of our internal financial control systems.

Document Version Control

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Version number	Change or update	Author or owner	Date	Signed
1.0	First version	Secretary	January 23	E. Pollock 13/01/23