

## Dunwich Town Trust

### RESERVES POLICY

As part of its continuous review of financing future developments and making prudent provision for adverse conditions the following designated funds have been set up as reserves. When assessing or reviewing reserves trustees will have regard to the Charity Commission's guidance CC19, "Charity Reserves: Building Resilience".

The Policy has been reviewed in the light of the Covid-19 pandemic and other global events and remains appropriate.

#### Unrestricted Funds:

1. General Reserve Fund – this represents the free funds which are not designated for particular purposes. A Resolution passed 10/09/18 agreed to reduce the fund to £35,000 and keep it at that value.
2. Capital Fund – this is intended to represent the funds that are tied up in property. Resolution passed 10/09/18 agreed to increase this fund until it equates to the capital value of all the houses (currently £1.83m).
3. Flood Protection Fund (£100,000) – in anticipation of future contributions towards consultation, plans or works relating to the protection of Dunwich from flooding and coastal erosion. **Note 1.**
4. Property Renovation Fund (£50,000) – for future repairs and major works to the Trust's properties. **Note 2.**

#### Restricted Funds:

1. General Reserve Fund – this represents the free funds which are not designated for particular purposes. A Resolution passed 10/09/18 agreed to increase this fund to £35,000 and keep it at that value.
2. Capital Fund – this represents the funds that are tied up in property and equates to the total value of the Flora Tea Rooms, the beach car park and Gallows Field.
3. Inundation Fund (unallocated surpluses at the end of each year are transferred to this Fund) – for the anticipated inundation of the Trust's major asset, the car park and Flora Tea Rooms, and expenditure anticipated in the furtherance of protection of its property by coastal erosion. **Notes 3, 4 & 5.**

**First approved by Trustees on: 12<sup>th</sup> September 2016. Reviewed annually by the Treasurer.**

**Signed: ...*Nick Mayo*..... Nick Mayo Chairman 11<sup>th</sup> July 2022.**