

## RESERVES POLICY TO BE DISCLOSED IN THE ANNUAL REPORT

This policy sets out the trustees' aims in relation to the level of reserves held by CCF. It explains to existing and potential funders, donors and other shareholders, why we consider this level of reserves appropriate.

Our reserves position:

	2010 £	2009 £	% Increase / (Decrease)
Unrestricted Funds	33,472	11,328	195
Total Resources Expended	65,937	49,446	33
<b>Ratio of Funds to Total Resources Expended</b>	1 : 1.97	1 : 4.36	(55)

CCF is primarily funded by grants, however the majority of this funding is restricted, and our core funding ceases in March 2012. This type of funding is insufficient to meet our annual expenditure, which is covered additionally from donations and trading income. Trading income will reduce next year as a result of transferring Carbon Conversations National during 2011, and donated income cannot always be predicted.

Against this background of uncertain income streams:

**The Trustees believe it is prudent for the charity to hold minimum reserves equivalent to at least 3 months expenditure and ideally aim to maintain reserves equivalent of at least 6 months expenditure (a ratio of 1 : 2).**

This will provide:

- the ability to meet unforeseen expenditure, including costs arising should CCF be wound up (closedown costs, redundancy payments, return of grant funding);
- flexibility in achieving our objectives; and
- a financial 'cushion' until additional core funding can be secured.

The Trustees plan to review this policy in accordance with the Charity Commission's guidelines on a regular basis, at least once a year.

See The Charity Commission's [advice on reserves](#).

This policy was adopted by Trustees on Oct 28<sup>th</sup> 2011