



THE HERNE HILL SOCIETY Reserves Policy

Why does the Herne Hill Society need a reserve?

The Herne Hill Society has, until now, always been able to cover annual expenditure from annual income. But it is prudent financial practice to hold a reserve to protect against an unexpected drop in income. Therefore, the Herne Hill Society has decided that a portion of its unrestricted funds should be held as a reserve to enable it to continue operating as normal for up to two years while it formulates its future.

This reserve includes a sum for maintaining and updating the Society's website and technical equipment, and the costs of producing forthcoming publications.

How much should be kept in reserve?

The amount held in reserve will be the approximate equivalent of two years' income from membership subscriptions. This will enable the Society to continue to publish *Herne Hill* magazine (quarterly) for two years, and to meet its other obligations, such as subscriptions to organisations of which it is a member. For 2017 and 2018 this was **£4,600**.

An additional amount (currently £1,000 *per annum*) will be added to fund the Society's Small Grants Scheme for a period of two years. This Scheme welcomes applications from other bodies, groups or individuals to encourage local initiatives in accordance with the Society's Constitution. A sum of **£2,000** should be held to cover this.

The Society anticipates that it will need to acquire technical expertise to keep its website up-to-date. This is estimated at **£1,000**. The Society also expects that its PA and AV equipment will need updating within the next two years. The cost is not expected to exceed **£200**.

The Society is currently working on three new books, expected to appear within the next three years. Average production costs of similar volumes have been approximately £1,000 each. Therefore a further sum of **£3,000** should be held.

The total amount to be held in reserve will therefore be **£10,800**.

The Society does currently hold a Restricted Fund, in respect of a grant of £5,200 from the Heritage Lottery Fund towards its First World War research project. This grant is expected to be entirely exhausted by the end of February 2019.

How and when should the reserve be spent?

The reserve will be spent against authorised expenditure that furthers the Society's Aims and Objectives, as set out in its Constitution. This includes covering any shortfall in anticipated annual income.

When will the Reserves Policy be reviewed?

The Reserves Policy, and the amount set aside, will be reviewed annually at the end of the Society's financial year.

5 December 2018