



Reserves Policy Statement

Created: January 2026

Policy Statement

The Trustees of Spread Some Sunshine recognise the importance of maintaining adequate reserves to:

- Safeguard the charity against short-term cash flow difficulties
- Manage unforeseen expenditure or income shortfalls
- Support continuity of services during periods of uncertainty
- Enable the charity to plan and develop its activities responsibly

Level of Reserves

The Trustees have agreed that the charity should hold reserves equivalent to 3 months of core operating expenditure. This level is considered appropriate given the charity's size, income streams, and risk profile.

The target level of reserves will be reviewed annually as part of the budget-setting and risk management process.

Use of Reserves

Reserves may be used, with Trustee approval, for:

- Managing unexpected costs or income delays
- Covering temporary funding gaps
- One-off strategic investments aligned with the charity's objectives

Reserves will not be used to fund ongoing operational deficits without a clear recovery plan approved by the Trustees.

Monitoring and Review

The level of reserves will be monitored regularly by the Trustees through management accounts. This policy will be reviewed at least annually, or sooner if there is a significant change in the charity's financial circumstances or operating environment.

Transparency

The charity will report its reserves policy and the level of reserves held in its annual accounts and Trustees' Annual Report, in line with Charity Commission guidance.

Approval

This policy has been reviewed and approved on behalf of the Trustees of Spread Some Sunshine.

Electronically signed:

Faye Toner

Faye Toner

Founder & Trustee, Spread Some Sunshine

Date: January 2026

Next scheduled review: January 2027