

## Hopton-on-Sea Parish Council

### Reserves Policy

#### Introduction

The Council is required, under statute, to maintain adequate financial reserves in order to meet the needs of the organisation.

The Council's policy on the establishment, maintenance and adequacy of reserves and balances will be considered annually.

The Council will hold reserves for these main purposes:

A **working balance** to help cushion the impact of uneven cash flows, such as the time lag between the start of the new financial year and the receipt of the first precept payment and the upfront payment of VAT prior to reclaiming

A **contingency** to cushion the impact of unexpected events or emergencies

#### **Earmarked reserves:**

A means of building up funds, to meet known or predicted requirements

Money held for specific purposes

Money pledged but payments unmade

#### **Capital reserves:**

Money for capital projects (the purchase of buildings or land)

Notes to the Annual Accounts will detail the movement of reserves during the financial year.

The Council's specific requirements are detailed in appendix 1

### Appendix 1

#### Working Balance

The Council has considered the need for a working balance for 2024/25:

	<b>Use</b>	<b>Budget</b>
Cash Flow	To enable the payment of invoices prior to the receipt of the precept payment (3 months)	£12,000
VAT payments	The payment of VAT prior to reclaim	£1,000
<b>Total</b>		<b>£13,000</b>

## Contingency

The Council has considered the need for a contingency for 2024/25:

	Use	Budget
Parish Council Assets	To cover unexpected maintenance costs	£15,000
Election	The potential cost of a by-election	£2,500
Unexpected costs	To cover the cost of unexpected events	£8,000
<b>Total</b>		<b>£25,500</b>

## Earmarked Reserves

Current and anticipated earmarked reserves for 2024/25:

Anticipated Solicitors fees re new Lease of Recreation Ground **£1,500**

Any further earmarked reserves identified before the year end will be shown in the end of year accounts.

**Capital Reserves** **£0.00**

**Total Working Balance, Contingency, Earmarked and Capital Reserves**

**£40,000**

For information purposes only:

### Account Balances as at Financial Year End 31 March 2023

Business Current Account £ 1,104.30

High Interest Account £41,031.64

**Total: £42,135.94**

### Account Balances as at 31 January 2024

A. Business Current Account £ 1,157.09

B. Business Reserve Account £10,180.69

C. 35 Day Notice Account £10,118.90

D. 95 Day Notice Account £30,403.01

**Total: £51,859.69**