

YogaMobility Financial Reserves Policy

Introduction

This policy sets out our need for financial reserves.

Policy Statement

YogaMobility's main activity is the provision of regular yoga based classes for disabled adults. This policy ensures that we have sufficient funds to guarantee continuity in the provision of our services.

Reserves Definition

Reserves are defined by the Charity Commission as follows:

Reserves are that part of a charity's unrestricted funds that is freely available to spend on any of the charity's purposes. This definition excludes restricted income funds and endowment funds.

Current Reserves Policy

YogaMobility aims to hold sufficient unrestricted funds in reserve to cover 6 months' general running costs.

These reserves are considered ample for the reasons set out below.

Matters to be considered

YogaMobility charges attendance fees for its classes. However, this income covers only a small fraction of the costs incurred. The remaining costs must be covered by other sources of income and reserves. Regular standing order donations are received monthly. Income from one off donations, fund raising events and grants vary from month to month and year to year.

- **Working Capital:** YogaMobility's main costs are tutors' fees and room hire which are invoiced monthly in arrears. Funds must be available to meet these costs without delay.
- **Additional expenditure:** Occasionally some class participants require specialist equipment to allow them to participate to the fullest of their ability. Grant funding is sought to cover the cost of expensive items where possible.
- **Long term commitments:** YogaMobility has no long term commitments. Our tutors are self employed and are not on long terms contracts. Room hire is paid only when rooms are required.
- **Contingencies:** Reserves need to be available to retain the services of our tutors to cover a temporary cessation of our services.

Conclusion

The lack of long term commitments means that the current reserves policy is more than adequate to meet the financial requirements of the charity ensuring that YogaMobility can continue to provide its regular classes.

Monitoring of Reserves

The adequacy of the reserves is constantly monitored by regular Trustees meetings. Accounts are prepared and the information provided includes the unreserved bank account balances.

Use of Reserve Funds

YogaMobility has provided a minimum of 2 classes and a maximum of 5 classes a week. Annual income, excluding grants, is usually sufficient to meet the costs of 3 classes.

New classes will be started if there is believed to be a demand for YogaMobility's services and if suitable premises are identified. Attendance at any new class will be closely monitored for at least 3 months to see if sufficient people attend on a regular basis to establish a successful class.

Reserve funds may be used for the purpose of meeting the costs of classes.