**Reserves Policy 2022/23**

**Our Beneficiaries and aims**

* Working with children and young people with childhood onset arthritis (JIA) and their families within the following areas:
  + Birmingham City
  + Coventry City
  + Dudley
  + Sandwell
  + Solihull
  + Walsall
  + Wolverhampton
* If not resident in one of the areas stated above then they are in receipt of treatment at one of the three main hospitals we support: BWCH, UHCW or New Cross, Wolverhampton
* To educate the public in all matters relating to arthritis and particularly as it pertains to children
* To carry our research into the causes of arthritis particularly in children
* To alleviate the suffering to those persons who by reason of caring for a person with arthritis are  leading a restricted life and are in need of assistance

**Rationale behind the Reserves Policy**

Kids Like Us supports children and young people with JIA and their families. This support can include but is not limited to the support of a clinical research nurse, production of a large range of information leaflets for children, young people and their families, funding of peer support events and the annual residential breaks for teenagers with arthritis.

The Kids Like Us Reserves Policy is to maintain sufficient level of reserves to enable normal operating activities to continue over a period of up to 12 months should a shortfall in income occur and to take account of potential risks and contingencies that may arise from time to time.

Excluded from the Reserves Policy is income associated with:

* Endowment Funds
* Donor Restricted Funds (Earmarked Income)

Therefore, in order to demonstrate transparency, accountability and sound financial management the Kids Like Us Reserves Policy clearly justifies the amount of reserves kept back each year.

**Steps taken to establish the level of reserve**

In order to make a judgment on the amount of reserve the Trustees have considered the risks in respect of expenditure, unrestricted income and where appropriate restricted income. Also taken into consideration are any external identified potential major risks to income and expenditure during the year under consideration. A risk assessment has been undertaken for the period April 2021 to March 2022 and the following has been determined using the Risk Identification approach:

• Unrestricted Income: Medium Risk

• Restricted Income: Low Risk

• Expenditure: Low Risk

• External Potential Major Risks:

* Economic Environment (Recession/Brexit/Covid)
* Examination of past trends  Level of reserve required by Kids Like Us

**Level of reserve required by Kids Like Us**nds 80,000 106,000 26,000 25%

After review our current position indicates the following:

• Unrestricted Income: Medium Risk of delivering £15,000 target

• Restricted Income: Low Risk – There is no indication that regular grants will not be received in this financial year

• Expenditure: Low Risk – Expenditure within agreed limits at all times

• Other Major Risks: Medium Risk – Loss of reputation, loss of goodwill, reduced donations, reduction in community activity  (community activity risk currently high due to Covid and cost of living crisis)

Kids Like Us should hold in reserve approximately:

* 12 months operating capital which within the current budget period equates to ££2,500.
* 3 years outreach funding which equates to £7,500
* 5 years Independence break funding which equates to £30,000.

Kids like us reserves equate to 75% of current capital.

**Monitoring and reviewing the Reserves Policy**

This policy will be reviewed at the Annual General meeting each year. The Chairperson in conjunction with the Treasurer will present the committee with a draft document and supporting materials that enables them to make an informed decision about levels of Reserves and feeds into their approval of the strategy document and annual operating targets