



The Locks Inn Community Pub, Geldeston

Financial Reserves Policy

September 2026

Introduction

There is a requirement, under statute, to maintain adequate financial reserves in order to meet the needs of the organisation. The policy on the establishment, maintenance and adequacy of reserves and balances will be considered annually, but will abide by the general principle that general reserves should be £50,000, which is approximately 1.5 months of the average revenue of the prior financial year. This excludes earmarked/restricted/ring fenced reserves, such as for capital projects.

We will hold reserves for these main purposes:

- A working balance to help cushion the impact of uneven cash flows, such as seasonal variations in revenue verses costs.
- A contingency to cushion the impact of unexpected events or emergencies
- A means of building up funds, to meet known or predicted ad hoc requirements

Review:

1. This policy will be amended as necessary to ensure The Locks Financial Reserves are fitting for the year ahead.
2. Any changes to this policy must be approved by The Locks Management Committee

All retained reserves are strictly committed to community benefit. If reserves grow, The Locks Inn Community Pub Limited confirms that the capital will be designated for reinvestment in the pub and not held to eventually distribute to members.

Signed

Name: Graham Elliott, Chair