



RESERVES POLICY

Adopted by the Executive Committee

Trustees, Executive Committee members and the Treasurer

Document control	Detail
Version	1.0
First issued	August 2026
Date adopted	19 th August 2026
Next review due	On approval of the accounts for the year ending 31 May 2027
Review cycle	Annually alongside the annual accounts, and whenever club circumstances change materially
Policy owner	Treasurer
Approved by	Executive Committee, exercising the power reserved under section 3.3 of Roles, Structure and Accountability v1.12
Basis	Charity Commission guidance CC19, Charity reserves: building resilience
Applies to	All unrestricted funds of Hackney Rugby Football Club Ltd

1. Purpose and status

This policy sets out why Hackney RFC holds reserves, the level of free reserves the club aims to hold, the purposes for which funds are designated, and how the position is monitored.

The club has not previously held a written reserves policy. The Trustees' Report for the year ended 31 May 2026 contains no reserves statement. Charity Commission guidance expects trustees to adopt a reserves policy and to explain it in the annual report. This policy closes that gap.

Adoption of a reserves policy is a matter reserved to the Executive Committee under section 3.3 of Roles, Structure and Accountability, alongside the annual budget, annual accounts and subscription rates.

2. Why the club holds reserves

Reserves are held to meet identified risks and commitments, not as an end in themselves. The club's circumstances give rise to four specific needs:

- No security of tenure. The club plays at Spring Hill Recreation Ground under no formal lease or licence. The head lease held by Hackney Council from the Lee Valley Regional Park Authority expires on 24 December 2031. Securing a community sub-lease will require legal, survey and professional costs that no external funder will meet in advance.
- No permanent clubhouse. The clubhouse was lost to fire in 1999 and has never been replaced. The club carries the cost of temporary arrangements and will carry pre-development costs for any replacement.
- Seasonal and concentrated income. Subscription income is collected monthly. Grant and sponsorship income is renewed annually and is not guaranteed.
- Reliance on a single paid resource. The club has no employees and one paid contracted engagement. Loss of that resource, or the cost of replacing it, would fall on reserves.



3. Definitions

Term	Meaning as used in this policy
Restricted funds	Funds that may only be spent on the purpose specified by the donor or funder. The club held no restricted funds at 31 May 2026.
Designated funds	Unrestricted funds that the Executive has set aside for a specific purpose. Designations remain unrestricted in law and may be released by the Executive at any time.
Free reserves	Unrestricted funds less designated funds. The club holds no tangible fixed assets, so no adjustment for fixed assets is required.
Months of cover	Free reserves divided by average monthly expenditure, calculated on the most recent full year of audited or independently examined expenditure.

4. Position at 31 May 2026

Figures are taken from the financial statements for the year ended 31 May 2026, independently examined and approved by the Board on 30 June 2026.

Measure	£	Note
Total funds carried forward	109,321	All unrestricted
Restricted funds	nil	
Designated funds	nil	
Free reserves	109,321	
Total expenditure for the year	135,401	
Average monthly expenditure	11,283	
Months of cover held	9.7	Above target

For completeness: cash at bank and in hand was £125,071, against creditors falling due within one year of £16,695. The surplus for the year was £19,876 (2025: £2,232).

5. Target level of free reserves

The Executive sets a target range for free reserves of three to four months of expenditure, measured against the most recent full year.

Basis	Lower bound (3 months)	Upper bound (4 months)
Expenditure year ended 31 May 2026	£33,850	£45,134
Target range adopted	£34,000	£45,000

The range reflects the absence of tenure and the concentration of income, which together justify a target at the upper end of what is typical for a charity of this size, but not the 9.7 months currently held.

6. Designated funds

The Executive designates the following amounts from unrestricted funds. Each designation is made against an identified commitment or programme of work already directed by the Executive.



Designation	£	Purpose and basis
Spring Hill 2030 pre-development	40,000	Legal costs on the community sub-lease and any development agreement, title and covenant investigation, topographical and condition surveys, drainage assessment, and early feasibility and design work. No external funder will meet these costs before tenure is secured.
Facilities and equipment renewal	15,000	Replacement of pitch, storage, posts, floodlighting and training equipment in the absence of a permanent clubhouse and with no landlord repairing obligation in the club's favour.
Pitch and training facility rentals	10,000	Hire of pitches and indoor and outdoor training facilities at Spring Hill and from third parties. The club holds no tenure and rents on short-term arrangements, so rates may rise or availability be withdrawn at short notice, requiring alternative venues at higher cost. Pitch fees were £21,172 in the year ended 31 May 2026.
Total designated	65,000	

Designated amounts are reviewed annually. Any release of a designation, or transfer between designations, requires a decision of the Executive recorded in the minutes.

7. Resulting position

Measure	£	Note
Unrestricted funds at 31 May 2026	109,321	
Less designated funds	(65,000)	Section 6
Free reserves	44,321	
Months of cover	3.9	Within target

Timing and disclosure

The designations set out in section 6 are decisions of the Executive taken in August 2026. They are made after the balance sheet date of 31 May 2026 and are not reflected in the financial statements for that year, which correctly record all funds as unrestricted and undesignated.

Designations must not be backdated to the balance sheet date. Where the reserves position is described to a funder, regulator or third party, the position at 31 May 2026 and the subsequent designations must both be stated, with their respective dates.

This policy, and the resulting free reserves figure, will be disclosed in the Trustees' Report for the year ending 31 May 2027.

8. Monitoring and action

The Treasurer reports the reserves position to the Executive at each meeting at which management accounts are presented, and formally on approval of the annual accounts.



Position	Action
Free reserves below £34,000	The Treasurer reports to the Executive at the next meeting. The Executive agrees a recovery plan, which may include releasing a designation, reducing discretionary expenditure, or increasing subscription or fundraising income.
Free reserves within £34,000–£45,000	No action required. Position noted.
Free reserves above £45,000	The Executive considers whether to increase designations against identified commitments, or to apply the surplus to programme delivery, bursaried places or facilities. Reserves are not accumulated without a stated purpose.

9. Approval

This policy was adopted by the Executive Committee of Hackney Rugby Football Club Ltd and is signed on its behalf.

	President and Chair	Treasurer
Name	Peter Heslin	Christopher Dominy
Signature	<i>Peter Heslin</i>	<i>Christopher Dominy</i>
Date	19 th August 2026	19 th August 2026

Related documents: Roles, Structure and Accountability v1.12; Hackney RFC Budget 2026/27; financial statements for the year ended 31 May 2026; Hackney RFC 2030 Strategy v0.1.