



# THE KENNET & AVON CANAL TRUST

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## Reserves Policy

In line with their duties under company and charity law, and in accordance with the guidance issued by the Charity Commission, the Trustees have adopted the following policy on reserves.

### Introduction

1. As set out in its Articles of Association, The Kennet and Avon Canal Trust ('the Trust') seeks to:
  - a) promote, facilitate, and assist in the conservation, protection and improvement of the Kennet and Avon Canal and its associated watercourses, towpaths, structures and buildings;
  - b) advance the education of the public in general of the significance of the Kennet & Avon Canal and its associated structures;
  - c) protect and conserve, objects, sites and buildings of archaeological, architectural, engineering or historic interest on, in the vicinity of, or otherwise associated with the Kennet & Avon Canal; and
  - d) promote and facilitate recreational use of the Kennet and Avon Canal by a wide section of the community in order to improve conditions of life for the public.
2. The Trust's main sources of income to fund its activities are membership subscriptions, donations and legacies, profits on trading activities carried out by its trading subsidiary, The Kennet and Avon Canal Trust (Enterprise) Ltd ('Enterprise'), and grants for specific projects.

### Policy

3. The basis of the Trust's reserves policy is that it should hold sufficient free reserves to support continued provision of charitable activities taking account in particular of:
  - unexpected expenditure requirements in respect of assets owned by the Trust or leased under full-repairing leases, namely Crofton Beam Engines and the Devizes office and museum and museum artefacts;
  - other unexpected costs, including staff costs;
  - future commitments;
  - unexpected time-critical opportunities to undertake projects, or acquire artefacts, to support the Trust's objects;
  - potential reductions in profits remitted to the Trust by Enterprise; and



- the potential need to make loans to Enterprise to generate or protect future trading profits to the benefit of the Trust.
4. The Trustees will maintain a corporate risk register which reflects potential liabilities in respect of these uncertainties and commitments. The Trustees recognise that the risks reflected in the register are unlikely to materialise in all areas of activity at the same time.
  5. The risk register will be fully reviewed at least annually.
  6. Given the current assessment of risks and commitments, and the likelihood of risks crystallising, the Trustees have determined that the minimum level of free reserves should be £150,000.

### **Review**

7. This policy, and the level of reserves to be held in accordance with the policy, will be reviewed at least annually.

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**THIS DOCUMENT IS NOT CONTROLLED ONCE PRINTED**

Responsible Trustee: Chris Bolt

Date approved by the Trust Council: 31 July 2023

Review Date: July 2024