

## Reserves policy

The charity aims to maintain a minimum of 3 months' unrestricted income, based on the previous financial year's turnover. This reflects the requirement on Trustees to maintain sufficient reserves to meet unforeseen circumstances and to ensure that, should the Charity / Company Limited by Guarantee need to be wound up, it can meet the organisation's financial obligations.

There is a Contingency Fund of £140,000 designated by the Trustees to cover 3 months' expenditure.

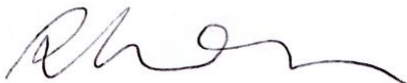
As at 31 August 2020 the unrestricted assets of Rowan (excluding property) were £271,255.

Restricted reserves can only be used for a purpose or remit within the overall charitable aims and they can only be carried forward as reserves if the terms of the funding apply.

The Trustees will review the Reserves Policy annually.

Rowan has four major sources of income: Student Direct Payments for services delivered, sale of products and services, rental and interest income and fundraising. As none of these revenue streams is guaranteed, it is crucial to ensure there are sufficient reserves for Rowan to function, if existing sources of income are lost or reduced.

Signature of Chair:



Date of signature/ratification of policy by the board of Trustees: March 2021

**Date that next review is due: March 2022 Date policy reviewed:**