

THE BUTLER TRUST

Reserves and Investments Policy

The Butler Trust aims to budget and operate on a surplus basis. However, reserves and investments can be used to cover any shortfall in revenues, to meet uncovered expenses, and also to support strategic initiatives. Trustees have the powers to invest surplus funds of the Trust in such assets as they see fit, within the guidelines set out below.

Reserves

The Trust's reserves fall into three categories, together known as Total Reserves:

1. A working capital reserve of approximately £50,000 as a floating cash balance to meet ordinary day to day expenditure;
2. A Development Fund, set aside for projects in addition to the Trust's core work; and
3. Free reserves which, together with the working capital reserve, but excluding the Development Fund, should equal at least six months budgeted expenditure so as to ensure that the Trust can continue to operate as a going concern (approximately £125,000)

Investments

Should Total Reserves fall below £150,000, all funds would normally be held on cash deposit. If and when Total Reserves exceed that figure, Trustees should consider the possibility of investing an appropriate amount in stocks and shares with the aim of increasing the underlying capital value and potential income.

Michael Spurr
Chair

Simon Shepherd
Director

June 2023
To be reviewed June 2024