

Financial Review

The financial accounts for 2020/21 reflect another positive year for the organisation. Our funding levels were maintained despite the COVID 19 pandemic with new funding from the National Lottery, Sussex Community Covid 19, CAF Bank and Brighton & Hove City Council emergency funding. Switchboard ended the year with a surplus of £48,892 which will be rolled forward to support the delivery of services in the new year and help us continue to adapt to changing needs and alternative methods of delivery in response to the implications of the COVID-19 pandemic.

Switchboard would like to thank the following partners and grant-awarding bodies for their support in 2020-21.

- Brighton & Hove City Council
- Brighton & Hove Clinical Commissioning Group
- Together Co
- Southdown Housing
- Impact Initiatives
- TDC
- The Rainbow Fund
- The Tudor Trust
- LGBT Consortium Futures Fund
- Sussex Community Foundation
- Survivors Network
- The National Lottery Community Fund #CelebrateNationalLottery25
- CAF Bank

Switchboard would also like to thank everyone who fundraised for us during the year.

Reserves Policy

Introduction

We take seriously our responsibilities for good strategic and financial planning, risk management and the employment of staff. The reserves policy is in place to ensure that these responsibilities can be met in the event of unexpected events having an adverse effect on the charity's financial position and ability to continue to operate.

Requirement for cash reserves

The trustees believe that Switchboard should hold financial reserves in order to ensure that the charity can meet any liabilities in the event of unforeseen and potentially financially damaging circumstances arising. The trustees consider therefore that it would be prudent to set aside an amount that enables it meet known closure liabilities plus a general contingency of £5k. This amount is currently deemed to be £30k. This approach plus the adequacy of the levels of reserves should be kept under review on a six-monthly basis. The organisation should aim in the future to increase reserve levels to support strategic decision making and unexpected challenges.

The Policy

We aim to ensure the charity's cash reserves allow for contingency planning and enable us to meet all our statutory liabilities whilst not holding too high a level of reserves that means income is not being used appropriately to meet the charity's objectives. Our policy is that, as a priority, reserves must always be sufficient to cover outstanding debts and liabilities that would arise in the event of the charity needing to cease operations and/or the transfer of services to another organisation. The CEO and Treasurer shall update the Board on a six-monthly basis of the potential closure costs and

associated liabilities should the charity have to cease operating, so that the adequacy of the reserve can be considered and action taken to increase/decrease as appropriate.

Management of cash reserves

To ensure proper financial management we will hold the reserves in a separate budget account and it will be clearly identified as reserves in the annual budgets. Review of reserves held and use of cash reserves will be part of annual budget planning and be an integral part of all financial, strategic and service development decisions that occur throughout the year. Reserves can only be used with the agreement of the Trust Board.

Angela Croucher
Treasurer