

Henley Choral Society – charity number 276728

Reserves Policy

The choir recognises that whilst funds are raised to meet its charitable objectives, it would be prudent to hold some monies in reserve to cover future plans and commitments, should any downturn in the charity's fortunes prevail. Such action would enable the choir to plan properly and responsibly for the future without having to resort to drastic fund raising or bank loan considerations to operate effectively and viably.

In order to achieve these objectives the Trustees recognise guidance issued by the Charity Commissioners and recommend that a reserve of £40K would be sensible and prudent. This amount would cover a period of 18 months underperformance against planned income.

The Trustees are aware that there are currently a number of risks associated with the way in which the charity's income is raised. The Trustees believe that the choir is particularly vulnerable in the following key areas:-

1. Annual member subscription is a major element of the choir's income stream. However, it has an ageing membership profile, it is difficult to attract younger adult singers and thus if the present trend continues, the subscription income, may reduce gradually through natural causes. One result could be the need to pay for outside singers to re-enforce weaker sections of the choir at concerts.
2. The additional downside of a potential reduction in choir numbers would be the adverse effect that a smaller and ageing choir may have on HCS's reputation and thus its ability to attract sufficient numbers of paying guests to make the concert programme financially viable. Currently most HCS concerts attract full audiences.
3. The booking of larger venues to hold concerts, such as the Reading Concert Hall, presents a large financial outlay and the associated risk of not selling sufficient tickets to cover costs is high. These costs include venue hire, payment to members of orchestra, soloists and musical equipment hire.
4. The choir has ambitions to fulfil members' musical aspirations, as guided by the Committee and Musical Director, and aspires to accept invitations to sing and perform at a variety of concerts and locations, in association with other choirs and organisations, where it is deemed worthwhile to develop musical, as well as, cultural relationships. Twinned towns are an example of such activities. The funding of such events is expensive and it is not generally possible to cover all costs.

5. Having positioned HCS as a choir which is aiming to deliver high quality concerts and performance standards then an increasingly significant cost to HCS is the cost of recruiting and retaining those talented music professionals who can help to develop, guide and mentor the choir to achieve its stated goals and ambitions. These costs include the roles of Musical Director, accompanist and other musicians whose services may be bought in where the MD feels the choir would benefit from additional specialist coaching.
6. The Choir has a focus on attracting additional income through both corporate sponsorship and individual "Friends of HCS". This sponsorship is neither guaranteed nor substantial enough to offset any major income reduction in other areas such as ticket sales or membership decline.

The Henley Youth Choir has the potential to provide new young adult singers to join HCS and thus mitigate one of the risks above. However, many current members of HYC will be leaving home, for further education and job opportunities, in the years to come. Remaining in the area with a keen interest in music and joining the senior section, to resolve some of the succession planning issues, cannot therefore be relied upon.

Under the above circumstances the Trustees believe it would be a prudent and responsible action to maintain our reserves at this level until such time as some of the highlighted risks are addressed and overcome.

The Trustees propose that the reserves policy will be reviewed and monitored quarterly at Trustees meetings.

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