

## APPENDIX 3

The term “reserves” has a variety of technical and ordinary meanings, depending on the context in which it is used. In this SORP the term “reserves” (unless otherwise indicated) describes that part of a charity’s income funds that is freely available to spend on its charitable purposes as outlined in paragraph 1.38 of this SORP.

The figures to calculate reserves will come from the charity’s balance sheet or the notes to the accounts and the calculation can be made as follows:

