



RESERVES POLICY

Statement of Principles

This policy states our intention to hold an appropriate level of reserves for potential future expenditure and if our income falls below expected levels.

Our Aims

- To spend our income on charitable activities to further the aims and objectives of our setting.
- To continue functioning as a setting if at all possible and cover the payment of staff redundancies in the unlikely event that our setting had to close.
- To hold in reserve the proceeds of a fundraising campaign or any grants obtained until they can be appropriately used.

Our Practice

- Our level of reserves takes into account the following:
 - One term's running costs of the setting,
 - Potential staff redundancy payments,
 - Potential loss of income due to any fluctuation in numbers of children attending our setting,
 - Potential payments to creditors should our setting close,
 - Upcoming agreed renovation projects,
 - Potential major repairs to the building,
 - The cost of seeking alternative temporary premises if the building were to become unavailable (for example, due to a fire),
 - The cost of a new building for our setting should this be identified as a need in the future.
- The reserve funds are held in separate savings accounts.
- The amount is regularly monitored by the Parent Management Committee to reflect any necessary changes to the required level of reserves.

Wrenthorpe Pre-School Parent Management Committee adopted this policy at its meeting:

Held on _____

Signed _____

Position _____

Date _____

Review date _____