

Stretton Pre-School

Reserve Account

Policy Statement

It is important to the Pre-School to set aside an amount of the funds we accrue to ensure that we are sustainable for the future.

We aim to hold such funds in a reserve account equivalent to one term's operating expenditure. These reserves enable us to meet any unforeseen expenditure that may occur and also to ensure that we can meet our statutory liabilities if there are periods when child numbers are lower than usual. We need to ensure we have funds for a 6-month budgets and redundancies. In consideration, we would still receive parent fees and funding to this point. The amount we set aside is £120k.

The use of money from the reserve account can include replacement equipment, staff needs, training costs, running costs, redundancy payments, pandemic related costs, any annual subscriptions or emergencies.

Methods

We will make available accounts to show the amount in the reserve account and explain fully to parents annually at the Annual General Meeting.

We will send, as part of our annual report to the Charity Commission, a copy of the reserves accounts and any accrument and spending will be recorded for future development.

This policy was adopted at a meeting of	Stretton Pre-School
Held on	01 November 2022
Date to be reviewed	Annually
Signed on behalf of the management committee	
Name of signatory	<u>E. Greenfield</u> Emily Greenfield
Role of signatory	Chair Person