



RESERVES POLICY

Policy Statement

It is important for Micklands Pre-School to have an appropriate level of reserves in place for potential future expenditure. In addition to this, the proceeds of a fundraising campaign may need to be held in reserve until they can be appropriately used.

However, we recognise that as a charity, we need to balance this with our duty to spend our income on charitable activity to further the aims and objectives of the pre-school.

Procedures

We have a clear Reserves Policy in place and the Committee carries out a regular assessment of the pre-school's needs to determine the amount of reserves required.

The current level of reserves held as at April 2024 takes into account the following:

- Six months' running costs of the pre-school.
- Any potential major repairs to the building required to enable the pre-school to continue to run (roof, flooring, heating & plumbing system, boiler etc).
- Any upcoming agreed improvement projects.
- Any potential loss of income due to any fluctuation in numbers of children attending pre-school.
- Any potential staff redundancy payments or payments to debtors should the pre-school close.

The reserve funds are held in a separate pre-school savings account and the amount currently being held is available on request from the Committee. This amount is regularly monitored by the Committee to reflect any necessary changes to the required level of reserves.