



Bizzy Bees Pre-School CIO
Memorial Hall Bedford Road
Wootton
Bedford
MK43 9JB

Tel: 01234 767785

Website: www.bizzybeespreschool.org

Email: bizzybeespre_school@btconnect.com

Charity Number: 1172751

Ofsted: EY556019

11.3 Reserves policy

Aim

To ensure that our charity is able to operate during periods of lower income (for example lower occupancy levels or a source of funding not being renewed).

To ensure money is reserved for unexpected events, redundancies or any emergencies.

To ensure our Reserves Policy is in line with our Constitution requirements as per the Pre-school Learning Alliance Model Constitution.

- Section 3(k) Powers - to set aside funds for special purposes or as reserves against future expenditure.
- Section 9.7 Finance and accounts states that the committee may resolve to set aside income as a reserve against future expenditure but only in accordance with a written reserves policy.

To provide an opportunity to reserve money for future projects, for example a new building.

Objectives

Trustees understand that uncertainties may be faced in the future and the need to hold reserves where future income alone is unlikely to meet costs.

We recognise that trustees need to be able to justify the holding of income as reserves as the Charity Law requires any income received be spent within a reasonable period of receipt. We will consult with the Charity commission to ensure that levels of funding in the reserves are permitted. Those funds that are restricted will not be used in the Reserves, for example Funds received from a funding provider for a specific purpose.

The Reserves Policy is a working document that will be reviewed annually as part of our financial planning.

The amount held in Reserves should be monitored during the course of the year as part of the charities budgetary processes. Action may be needed to replenish or spend reserves.

The Reserves Policy must be reported in the trustee's annual report.

We will be open to our users/ stakeholders about the level of reserves.

This policy was written in line with the Pre-School Learning Alliance Model Constitution 2011 and the Charity Commission guidance 'Charities Reserves'

The reserve

The Committee have determined that as with all business functions there is an inherent risk of liability through trading. Therefore we aim to hold between £20,000 and £25,000 in reserve against unexpected or emergency expenditure. This includes but is not limited to:



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- Damage to the building and associated relocation costs.
- Unexpected drop in expenditure, resulting in Bizzy Bees being unable to meet its financial obligations.
- Unexpected repair, replacement or maintenance bills over and above foreseeable expenses.
- Redundancy payments after cessation of business.
- Any other reasonable expense agreed by more than half the Committee members.
- Development of existing building or areas associated with the existing building for improvements to the setting.