



# Reserves Statement

<b>Committee</b>	Finance Audit and Risk Committee
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<b>Signature</b>	Kimberley Foulkes
<b>New Review date</b>	January 2025

## Review Procedures

This Policy will be reviewed regularly and revised as necessary. Any amendments required to be made to the Policy as a result of a review will be presented to the Board of Trustees for acceptance.

Document / revision no.	Date	Status / Amendment	Approved by
1.0	30/01/2023	New Statement	R Hover
2.0	27/02/2024	Increase in Reserve	K Foulkes

Maintaining an appropriate level of financial reserves is considered essential in protecting the Trust from financial risk generated by, for example;

- income reduction due to Government funding changes
- unexpected falls in student numbers
- cash flow issues due to delays in receipt of funding
- emergencies

In general it is considered prudent to maintain a level of useable reserves sufficient to cover unexpected and unplanned events so that the Trust's primary objective is preserved. At the same time, the Trust wishes to ensure that it uses its funding to benefit the students in its care which implies an imperative to consider actively the use of reserves to enhance educational provision.

Trustees will monitor levels of reserves in financial reports provided by the Trust Chief Finance Officer and in the annual financial statement prepared by the Auditor. Trustees will look to ensure that a prudent level of reserves is maintained, bearing in mind the recurrent spending needs to ensure high quality provision. In deciding the level of reserves Trustees will take into account the following:

- one month salary bill
- the Trust's annual budget
- the need for any large project spend such as facilities development or building condition needs
- any uncertainty, turbulence or expected reduction in funding arrangements, including the level of transitional protection within the Trust funding and its expiry date
- anticipated funding over the next three years.

The amount of reserves will be approximately one month's salary bill which is currently in the region of £250,000.

This policy will be reviewed annually.