



Reserves Policy

Policy statement

As a not-for-profit charitable organisation, Middle Barton Pre-school ensures that monies from fees and fundraising are used for the benefit of current and future children attending the Pre-school.

Procedures

- The Pre-school ensure that monies from fees and fundraising are used to invest in the staff as well as in the building and its facilities including the garden and the interior furnishings and in a broad range of stimulating play and learning resources.
- The Pre-school has a responsibility to put aside reasonable reserves each year both to safeguard the long term future of the Pre-school building and to ensure that a contingency fund is available should the Pre-school ever cease to operate.
- The contingency fund is intended to cover all winding up expenses including statutory redundancy payments to staff and is re-calculated annually following approval of the annual accounts. Any shortfall in the fund will be made up by the transfer of funds from the current account to the reserves account prior to the start of the new academic year. The value of the reserve is based on 3 month's expenditure (calculated over a 2-year period) plus redundancy pay.
- The building reserves fund is intended to ensure that there are sufficient funds to cover any major repair works to the building and that there is a growing fund which will ultimately pay for or contribute significantly towards a replacement building.