



Abbey Court School Trust

RESERVES POLICY

Reserves are the part of a charity's unrestricted funds that is freely available to spend on any of the charity's purposes. It is the intention of Abbey Court School Trust to use funds available to the benefit of the pupils of the school. However, we see the need to hold an amount in reserve to tackle any unforeseen circumstances that we may face.

As a Trust we have considered the following Charity Commission for England and Wales' guidance notes:

- Charity law requires any income received by a charity to be spent within a reasonable period of receipt. Trustees should be able to justify the holding of income as reserves.

As a Trust our only committed expenditure is to have our accounts audited annually and pay out prize money for the Lottery, therefore we plan to have sufficient funds to cover the auditing for two years, prize pot money each year plus £1000 for emergencies.

- A reserves policy should take into account the charity's financial circumstances and other relevant factors. It should demonstrate the charity's resilience and capacity to manage unforeseen financial difficulties.

The reserves required takes into account emergency funds, as well as committed expenditure, which should make the Trust have the capacity to cover unforeseen financial outlay.

- Trustees should regularly monitor and review the effectiveness of the policy in the light of the changing funding and financial climate and other risks.

The Trustees will monitor the reserves as part of the accounts overseen at each meeting.

Our reserves policy explains to existing and potential funders, donors and other stakeholders why we are holding a particular amount of reserves. This policy should give confidence to stakeholders that the charity's finances are being managed and can also provide an indicator of future funding needs.

The objective of this policy is to set out what Abbey Court School Trust aims to achieve through the maintenance of reserves, the planned level of reserves, and the process of reserves monitoring.

For the financial year 2021/22 the Trustees will keep £3600 in reserves to comply with the aims of this policy.

This policy must be set out in the Trustees' annual report.