

## Statement of Intent

Pollyanna Pre-School will, where practicable, set aside money to meet a potential need, such as an unexpected drop in income. Financial security is important for our Pre-School in the event of any unforeseen circumstances.

## How much Pollyanna Pre-School needs to hold in reserve and why

We aim to have money in reserve to cover main costs for at least one term, including but not limited to: staff salaries and rent. Reserves target of £30,000 - £50,000 will aim to be achieved.

Should reserves go above £50,000, the committee will agree the most appropriate course of action.

Should reserves drop below £10,000, the committee will discuss ways to reduce costs where possible, without affecting quality of provision, and increase fees if appropriate.

## How and when Pollyanna Pre-School's reserves can be spent

Money will be set aside each year to cover staff redundancy costs. This will be assessed annually, to ensure sufficient funds to cover monthly expenditure. Should unforeseen circumstances lead to loss of income, potential expenditure that will need to be met may include staff salaries, rent, administration costs (eg payroll), and insurance.

## Policy Review

This policy will be reviewed and approved annually following our financial year-end by the Pre-School Management Committee.

## Review and Approval

This policy was adopted on: \_\_\_\_\_

Signed by Management Committee: \_\_\_\_\_



Print Name: Carl Sautereau

Date of Renewal: September 2024