

	POLICY TITLE:	Reserves Policy
Kingsmead Academy T/A Kingsmead School		
Committee/Person Responsible for Policy:		Business Manager Finance, Strategy & Personnel sub- committee
Date Approved by Governing Body:		February 2020
Date of Last Review:		Term 3 2019/20
Next Review Due:		Term 3 2020/21
Associated Policies:		Investment Policy

The Governors review the reserve levels of the Academy annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Governors take into consideration the future plans of the Academy, the uncertainty over future income streams and other key risks identified during the risk review.

The Governors have determined that the appropriate level of free cash reserves should be at least £400,000. The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance, a fall in pupil numbers and not wanting to lose a teacher or a rise in pupil numbers requiring additional teaching staff.

The Academy's current level of reserves (total funds less the amount held in fixed assets and restricted funds) falls below this level. Governors have agreed this and have plans in place to increase the reserves over the next two years.