



Reserve Policy

The financial security of Happy Bunnies Pre-school is important and so money will be kept in reserve for unforeseen circumstances. We aim to have money in reserve to cover main costs for at least three terms and to meet our redundancy liabilities.

Procedures

- Money will be set aside each year to cover staff redundancy costs. This will be recalculated annually to ensure sufficient funds.
- Money will be set aside to replace broken and worn out equipment.
- Money will be set aside to cover running costs during periods of lower income (fall in child places)
- If unforeseen circumstances lead to loss of income, potential expenditure that will need to be met may include staff salaries, rent and insurance. A reserve target of £25000 to £80000 will aim to be achieved.
- Should reserves go above £80000 the committee will agree the most appropriate course of action.
- Should reserves drop below £25000 the committee will discuss ways to reduce costs where possible without affecting quality of provision.
- Our financial reserves will be reviewed annually.