



Little Ducklings Pre-School

Reserves Policy

Issue D

Reserves Policy

We aim to ensure that Little Duckling’s financial security is assured at all times. However, Little Ducklings Pre-School and Quackers After School Club reserve the right to ‘loan’ money from one organisation to the other in the event of short term cash flow problems.

The following items of expenditure will be considered when deciding how much money should be kept in reserve:

- The running cost of the organisation for 6 months
- Staff redundancy payments should the organisation be forced to close

Little Ducklings were previously charged a favourable rent from Hampshire County Council of £1000.00 per annum, in 2015 this increased significantly to a charge of 10% of the Pre-School’s annual income. The increase in rent has had a significant effect on the running costs of the organisation and so our budgets now include a rolling contingency calculation which ensures we hold a reserve sum which equates to the average running costs for a 6 month period.

Redundancy payments for each member of staff would be calculated based on their age, length of service and weekly wage. Each year the calculated sum should increase to cover the length of service and age of all staff. (See appendix A for the calculations spreadsheet). Reserves will be held in a savings account where interest will be earned but there is instant access to the funds. Whenever possible, taking into account fluctuations in the number of children attending the Pre-school and unexpected costs, the level of reserves will match the anticipated expenditure. Should the level of reserves rise above the amount indicated within the budget the additional money will be used to benefit Little Ducklings and the service it offers to the children and parents.

In the event that Little Ducklings has to close, any reserves remaining after paying all outstanding costs will be passed to the Pre-School Learning Alliance (please see the constitution for further details).

Signed on behalf of Little Ducklings Pre-School: _____

Position: _____

Little Ducklings

Holbein Close, Basingstoke, RG21 3EX.

☎ 01256 413794 littleducklings@ymail.com

Ofsted Registration: EY424761

Charity Registration: 1132767