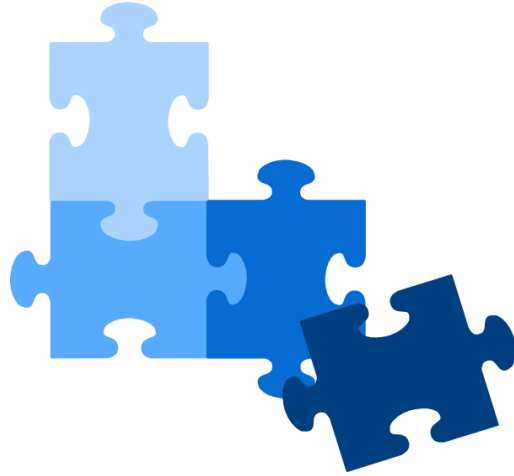




JIGSAW LEARNING TRUST

RESERVES POLICY



Academy Trust Reserve Policy

1. Purpose of the Reserve Policy

This Reserve Policy outlines the rationale, appropriate level, and management of financial reserves held by the Trust. It ensures transparency, financial prudence, and alignment with our strategic objectives, risk profile, and the best interests of our pupils and staff.

2. Current Reserve Position

As of 31st August 2024, the Trust holds unrestricted and uncommitted reserves of **£895,596**.

3. Rationale for Holding Reserves

The Trust holds reserves to:

- **Ensure cashflow stability**
Maintain sufficient liquidity to meet ongoing financial obligations, particularly payroll and core operational costs, while managing fluctuations in funding or delays in income receipt.
- **Provide for contingency and risk management**
Mitigate unforeseen events such as emergency repairs, legal or compliance costs, unexpected in-year budgetary pressures, or pupil number fluctuations.
- **Fund planned strategic initiatives**
Support IT infrastructure upgrades, curriculum development, staff training, SEND provision, and other improvement programmes aligned with the Trust's strategic objectives.
- **Maintain and improve estate and facilities**
Contribute to capital investment projects, such as refurbishments, new builds, or as match-funding for CIF bids, in line with the Trust's estates strategy.
- **Support financial resilience and future planning**
Provide flexibility to respond to inflationary pressures, pay awards, pension contributions, and future uncertainties in funding or government policy.

4. Target Level of Reserves

The Trust aims to maintain a minimum general reserve level equivalent to **two months of core operating costs**, with an emphasis on **payroll**, our largest single cost. This equates to a **target minimum of £480,000**.

Holding reserves above this level may be justified by the following:

- Known upcoming capital or ICT investment needs
- Anticipated expansion, structural change, or growth
- Contribution to strategic priorities requiring upfront investment
- Increased risk exposure or operational volatility

The current reserve level of £895,596 is deemed appropriate given our Trust's size, staffing levels, estate profile, and near-term strategic commitments.

5. Use of Reserves

Reserves will be used in line with the Trust's:

- Development plan
- Risk register
- Estates and capital strategy
- Financial forecast

Where reserves are earmarked for specific purposes (e.g., CIF match funding, IT upgrades), this will be clearly documented and reviewed regularly by the Trust Board.

6. Governance and Review

The Trust Board has responsibility for reviewing and approving this policy annually or in response to significant changes in financial circumstances or risk exposure.

The Finance Director will:

- Report reserve levels to the Board quarterly
- Propose adjustments to reserve targets as needed
- Advise on any material use or drawdown of reserves

Any use of reserves outside the agreed strategy must be approved by the Board.

7. Communication and Transparency

This policy will be published as part of the Trust's annual financial statements and be made available to stakeholders, including the ESFA, to demonstrate prudent financial management and effective governance.

Review of Policy

This policy will be reviewed every year or sooner if warranted by internal or external events or changes.