Registered Charity 1171812

Reserves Policy

Summary	
Policy Reference Number	080
Category	Finance
Authorised by	Finance Committee
Responsibility of	Chief Executive
Status	Updated September 2026
Next Review Date	September 2027

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1. Aims

Reserves are part of a charity's unrestricted funds that are available to spend on any of the charity's purposes. This definition excludes restricted income funds and endowment funds.

The Trustees of Connie Rothman Learning Trust are responsible to the key stakeholders for ensuring the stability of the Trust's operations, to protect it so that it can adjust quickly to changing financial circumstances.

2. Legislative and Regulatory Framework

Trustees are also responsible for ensuring that the finances are managed in accordance with the Trust's constitution. The Trust needs reserves to:-

- Meet redundancy liabilities should the Trust have to close;
- Meet the equivalent of one term's operational costs which will include salaries, pensions and external services costs.

The policy is also based on the following legislation:

- Charity Commission guidance on reserves (CC19)
- Charities Statement of Recommended Practice (SORP)

3. Reserves Policy and Target Level

Connie Rothman Learning Trust does not receive any help from the DfE or other government agencies for the purchase, lease or upkeep of a building. Therefore, the Finance Committee have authorised all funds above the agreed operational reserve target may be designated by Trustees towards the future purchase and development of premises.

The Trust aims to work towards securing suitable permanent premises within the next five years, subject to affordability, suitability and Trustee approval.

Surplus funds are funds that remain after meeting the costs of delivering CRLT programmes, providing resources for students, and maintaining the required reserve equivalent to one term's operational budget.

In the opinion of the Trustees £400,000 would be needed in the event of the charity ceasing activities, which consists of:

Redundancy costs	£325,000
One term's operational costs	£ 75,000

These estimates are reviewed annually against staffing levels, contractual commitments, leases and other liabilities.

The Finance Committee will regularly monitor the actual level of reserves and compare with the target level. At the date of approval, the Trust does not hold any restricted funds.

In the event of reserves falling significantly below the target level, we aim to restore the reserves as soon as possible by increasing fundraising, increasing income, or reducing expenditure. Funds held above this level may, subject to Trustee approval, be designated towards strategic capital expenditure, including the future purchase, development and renovation of permanent premises. Such designated funds remain subject to the Trust's overall financial position and will not be committed where doing so would compromise the Trust's ability to meet its operational obligations.

The Senior Leadership Team will not, however, take steps that might call into question the ability of the Trust to continue as a financially viable operation in the long term. It will not plan to use excess reserves should there be a provision for excess funds to cover essential running costs.

4. Responsibility and Monitoring

The Trustees are responsible for ensuring that the funds are maintained and are used only as described in this policy. Upon approval of any use of reserves, appropriate records will be maintained by the Trust's Business and Operations Manager. The Finance Committee should regularly monitor the progress of the reserves.

5. Policy Review

This policy will be reviewed and approved annually by the Finance Committee.