



Mid Essex Anglican Academy Trust



To unlock every child's potential as a unique child of God

Respect – Forgiveness – Trust – Responsibility – Thankfulness – Justice – Humility

Reserves Policy

Policy Reference Number	MEAATResPol
Category	Financial Management
Authorised by:	Trust Board
Status	Ratified
Print Name	Mr Andrew Barton
Date Approved:	13th November 2025
Date of Next Review:	Autumn 2026

Contents

Purpose	3
Definitions and Goals	3
Restricted Reserves.....	3
Unrestricted Reserves.....	3
Reporting and Monitoring	4
Review of Policy	4

Purpose

The purpose of the reserves policy for Mid Essex Anglican Academy Trust is to ensure the stability of the academy's operations. Maintaining an appropriate level of financial reserves is considered essential in protecting the Trust from financial risk.

Definitions and Goals

In general, it is considered prudent to maintain a level of useable reserves sufficient to cover unexpected and unplanned events so that the Trust's primary objective is preserved. At the same time the Trustees wish to ensure that it uses its funding to benefit the students in its care which implies an imperative to consider actively the use of reserves to enhance educational provision.

In deciding the level of reserves trustees will take into account the following:

- Uncertainty, turbulence or expected reduction in funding arrangements
- The need for any large project spend to include facilities development, ICT investment or building condition needs
- Fluctuations in student numbers
- Cash flow issues due to delays in funding
- The academy's annual budget
- Two month's salary bill

Restricted Reserves

Restricted reserves are represented by the main funding for the academy which is the General Annual Grant and other funds that are received for a specific project or purpose. These funds are restricted for the use according to the funding agreements or donors' instructions. The Trustees have determined that the appropriate level of restricted reserves to be held for non-earmarked expenditure should equate to up to 3% of total restricted funds to provide sufficient working capital to cover delays in the spending and receipt of grants and to provide a cushion for unexpected emergencies

Unrestricted Reserves

Unrestricted reserves are made up of the Trust's activities for generating funds, investment income and other donations which are expendable at the discretion of the trustees in furtherance to achieve the objectives of the trust. The Trustees will monitor the level of unrestricted reserves held and will ensure there are effective plans in place for its use but will not set a limit on the level that can be held.

Reporting and Monitoring

The Trustees are responsible for ensuring that the level and use of reserves is monitored. They will do this via the receipt of financial reports prepared by the Trust Business Manager. The Trust will maintain a medium term financial forecast which will show how end of year reported reserves will be utilised.

Review of Policy

The policy will be reviewed annually or sooner if warranted by internal or external events or changes. The Board of Trustees must approve all changes.