1. Context

1.1. Nexus Multi Academy Trust (MAT) has established this policy to protect its activities against unforeseeable financial risks and to make sufficient provision for future cash flow requirements and capital expenditure. The development of an effective reserves policy will restrict the impact of any risk upon the continuing operations of the MAT.

(b)12 10w

1.2. The reserves policy and the establishment of ranges is based upon an annual risk assessment of the internal and external operating environment, as well as having a due regard for the nature of activities under taken by the MAT for its beneficiaries.

2. Scope

2.1. This policy relates to all schoo

3.5.2. The presence of a pension surplus or deficit will generally result in an increase or decrease in employers' pension contributions over a period of years. The MAT will continue to inform budget planning with a requirement to meet the required pension contributions from projected future income without significantly impacting upon its planned level of activities.

4. Target Level of Reserves

4.1. The Board of Directors has set a , and level of general reserve in order to support the long-term financial viability of the Trust, meet short-term liquidity needs, and balance the demands for future financial resilience with current pupil need. These values are based on an assessment of current risks, covering normal operating spend as well as capital and estate risk.

4.2. The level has been set at with a and a (excluding designated reserves). Where reserves are higher than 5.5%, they may be invested in deposit accounts in order to maximise return. This is a decision for the Board of Directors, taking advice from officers.

4.3. In setting a target reserve level, Officers have taken the following into consideration (in addition to the general going concern assumption[1]):

4.3.1. The ability to balance risks across schools, reducing the need for a large contingency;
4.3.2. The low risk of falling pupil numbers, when compared to mainstream settings, given our majority SEND school context;
4.3.3. Historical trends (year-end position versus budget);
4.3.4. The volatility in the timing of SEN income, increasing the need for ***easily accessible*** reserves;
4.3.5. The condition of the trust estate, and low risk of urgent repairs not being coverable by SCA funding;
4.3.6. A need for reserves to support growth plans.

4.4. A minimum Capital fund reserve has been set, equal to 10% of annual government Capital Grant income.

4.5. Any school reserves in excess of £150k at year-end are consolidated

6. New and Transferring Academies

6.1. Where a school is in the process of joining the trust, Directors may agree with the Board of Governors to ring-fence an element of reserve for the school on conversion (be this