



Confederation of School Trusts

Reserves policy of the Confederation of School Trusts (CST)

This policy covers only unrestricted reserves.

The Trustees of CST are committed to:

- Fully justifying and clearly explaining why we hold reserves.
- Identifying and plans for the maintenance of essential services.
- Reflecting the risks of unplanned closure associated with the CST's business model, spending commitments, potential liabilities and financial forecasts.
- Publishing the reserves policy (even if not required to by law) and ensuring it is tailored to our circumstances.

These reserves are in line with Charity Commission Guidance and are held for the following reasons:

- a) Contingency for unplanned closure – 6 months of operational costs and staff redundancy based on notice periods.
- b) Contingency fund to meet legal costs of wind up.

The balance of reserves should be used on any charitable purposes as agreed by the Board in the context of our strategic planning, or for any designated activities as approved by the Board.

This reserves policy will be reviewed annually at the November meeting of the Board.

November 2023