

## Finance Policy

### Introduction

The Apple Tree is a co-operative of parents who pool their money to pay for tutors, materials and rent for the education of their children. Each group is self-sufficient and needs to break even by the end of each financial year. The Co-operative will act as a not for profit organisation.

- All costs should be shared fairly between the members as agreed by the members
- Teachers should be paid at a standard and fair rate across all project activities
- No staff are to be employed – everyone paid by the project will be self employed, at an agreed rate, paid on receipt of invoice and responsible for their own tax, national insurance and insurance.
- No contracts for any work or services or rent are to be agreed without the agreement of the Finance Group – only the Finance Group can undertake contracts on behalf of the project
- Finances should be agreed by the Finance Group in advance and reported to Companies House as professional audited accounts
- Costs to parents should be generally agreed as affordable.
- Costs will include contribution to the management of the finances such as bookkeeping, accountancy and auditing
- Costs will include a contribution to a reserve intended to ensure the sustainability of the project.

### Payments and Debts

As a not for profit collective aiming to operate on the smallest margin it is crucial that members take full responsibility for making prompt and agreed payments. As far as possible any family should commit to be part of the project for at least one year.

The project is predicated on the sharing of costs and decisions by those involved.

When looking to join a group a non-returnable deposit of £100 per child will be required to indicate commitment and to ensure a place within the desired group. The first month's fees ( $\frac{1}{2}$  month if joining after the 15th) will be required before the child can attend the group. The deposit will be returned if the group closes (or fails to form), when a child leaves the project (as long as there is no debt remaining on their account) or after 1 year, whichever occurs first.



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All monies owed to the project should be paid promptly as this is a primary responsibility of membership.

Any family unable to make a payment should contact their group finance representative as soon as possible with a timely proposal to make the full payment and this should be reported to the finance group.

Where a family fails to make a payment without informing the group in advance, or where no plan can be agreed to pay in a timely manner, the member will be asked to remove their children from activities. Their children will not be able to rejoin until the debt is cleared.

Where any child leaves a group they will need to give notice (notice periods detailed further below). Because fees are spread over 12 months, we pay less throughout the academic year, and pay the remainder over the Summer holidays. This means, if a child leaves the group at any point in the year, there will be an excess to pay. If a child is asked to leave a group then no notice period will be required.

Any debt payment will be agreed with the finance group.

Any issues with payment or debt that cannot be resolved by the finance group will be taken to the Directors for resolution.

Any resolved issues will be reported to the Directors.

## Reserves Policy

The project intends to put aside an agreed amount per month (which will be included in the central costs) in order to create a reserve that can provide for the sustainability of the project. This might for example mean subsidising a group while it finds new members at the beginning of a year (if its numbers have dropped over the holidays) or to pay deposits or investment towards a venue for the groups, or to pay for a specific development agreed by the members.

The amount of the reserve shall be between (the equivalent to) 1-3 months running costs. Should it fall outside of this amount at the end of a year it will be reported in the end of year accounts and the members will decide how to rectify this.

## Financial Projections

**The following budgetary principles were agreed to underpin the budget drawn up for the financial year from September 2024 and August 2025.**

The standard rate for each child has been set at £250 per month for 12 months. There is a sibling rate of £200 per month, per child for 2 siblings involved in the project. If there are 3 or more siblings the fees are set at £175 per month, per child.

All costs are paid spread over a 12 monthly period and paid in 12 equal instalments in order to make the project more affordable. By entering the project, you are agreeing to this financial commitment.

The equivalent to an academic term notice is required if leaving a group. This gives 3 notice periods



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throughout the year, please inform your admissions team no later than

1. First day of the Christmas break to leave at Easter break.
2. First day of the Easter break to leave at Summer break.
3. First day of October break to leave at Christmas break.

Each group will aim to break even within each financial year (September to August) including the contributions to centralised costs and central reserve.

Each group may set their expenditure and income within these guidelines and within the policies of the project and agreement of the Directors, in order to cover venue costs, tutors, ratios etc.

The budget will be set by the finance group and approved by the directors at the beginning of each year. This will reflect the present plans and numbers involved in the project. Any proposed variations on this budget should be agreed by Directors in advance.

The financial accounts will be reported to and agreed by the membership at the Annual General Meeting. Agreed budgets will be available to all members on request.

Reviewed August 2024